

**THE POLITICAL ECONOMY OF  
DECENTRALIZATION IN BANGLADESH**

**Ahmed Rashid**

**June 2004**

**Saint Mary's University  
Halifax, Nova Scotia  
Canada**

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## ACKNOWLEDGEMENTS

First and foremost, I extend my deep sense of gratitude and appreciation to my supervisor Dr. Henry Veltmeyer for his invaluable advice and subtle direction of my efforts throughout the preparation of the thesis. Dr. Veltmeyer's great depth of understanding of the topic and analytical review provided important insights in the research; I feel privileged to have worked with him. I am thankful to the other members of the thesis committee Dr. Anthony O'Malley and Dr. Krishna Ahooja-Patel who monitored my work and took effort in reading the thesis and offering valuable comments. Dr. O'Malley encouraged me to look into issues without losing objectivity and I have benefited a lot from his observations in the conceptualization of development theories. With her keen perceptions and wit, Dr. Ahooja-Patel greatly stimulated my interest in the critical approaches of international development. I cannot thank enough Ms. Annette Wright of IDS programme for her constant support and compassion. Finally, many thanks go to my family. My parents have always urged us to keep working hard in pursuit of knowledge. I am also indebted to both my sister and brother for their understanding and support at all times.

The thesis is dedicated to my dear niece Nabila Haque.

## BANGLADESH AT A GLANCE

1. Land	144,000 Sq. Km
2. Population (1999)	127.1
3. Division	64
4. District	64
5. Rural/Urban (%)	80/20
6. Literacy (1995)	38.1
7. Gross Enrollment Ratio (1995)	37
8. Life Expectancy at Birth (1999)	60.6
9. Infant Mortality (1999)	70
10. GDP (US\$ billions in 1988)	42.8
11. GNP per capita (Atlas Method, US\$)	360
12. Percent below Poverty Line (1997)	36
13. Share of Agriculture (1998)	23.4
14. Share of Industry (1998)	27.9
15. Form of Government	Parliamentary Democracy
16. Members of Parliament	300
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Source: World Bank, various reports.

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## **ABSTRACT**

### **THE POLITICAL ECONOMY OF DECENTRALIZATION IN BANGLADESH**

Since the 1980s, decentralization has been upheld as one of the major strategies of development in Third World countries. Donors led by the World Bank have pursued decentralization policies as a way of reducing the role of the state in welfare and service delivery. It has also been argued that decentralizing government to local level facilitates democratization in post-colonial states. Central to the concept of decentralization is participation as the inclusion of people in the decision-making and development processes.

The thesis attempts to illustrate the decentralization policies in Bangladesh with greater attention to local government reforms initiated in the last two decades. In order to identify the dominant traits of the decentralization process, the study examines the sweeping political and economic changes occurring in the country in the period. In particular, the overthrow of the military regime in 1990 and the building of democratic structures at the national level was an encouraging prospect to transfer power and resources to the local areas. By focusing on two key elements of decentralization, namely autonomy and participation, the study undertakes the analyses of the composition, functions and their politico-administrative implications of the reforms undertaken by the various regimes.

On the basis of the findings, the study argues that the transition to democracy did not bring any qualitative changes in decentralization efforts, particularly in terms of including rural population in the development process, and that the military government in power between 1982-90 effected the most far reaching changes in local government structure. While the authoritarian regime's policies reflected its increasing search for legitimacy and the need for creating a rural power base, reforms undertaken by both the "democratic" governments in the 1990s were characterized by the maintenance of the status quo or in some cases retrogressive steps.

**Ahmed Rashid**  
**June 2004**

## **Chapter One**

### **Introduction**

#### **1.1 Background**

For many developing countries, centralization of political and bureaucratic power was accepted as a pragmatic strategy in the aftermath of their independence from colonial rulers. Dirigist state and centralized planning were seen as the means for achieving economic and social development. The rationale behind a strong centralized state varied, ranging from ideological motivation for controlling the means of production to strategic concerns for negating separatist movements in remote regions of the country. Essentially, the concentration of power at a centre was consistent with policies and practices under colonialism where colonial powers ruled territories from far away. The developing countries found it quite difficult to break away from the status quo in the periods after independence. The approaches taken by these countries in that situation reflected a bias towards retaining control and ensuring stability in the midst of political uncertainty as well as economic adversity.

Since the beginning of the 1970s, the real conditions prevailing in the third world precipitated a shift in development thinking and practice. Macro-economic growth models and modernization theories proved to be largely inadequate to take care of the poverty situation facing the majority of people of the world. Thus, the need for providing basic needs and equitable distribution of wealth among all citizens was realized by many governments. Likewise, there was general dissatisfaction with centralized planning and

administrative structures because of their inability to assess and respond to the needs of people living in rural areas. State, it was felt, must be brought closer to the people.

One of the policies taken up by a number of developing countries in the 1970s and 1980s was the government decentralization programme. Decentralization serves a variety of purposes that epitomize the wide and multifaceted scope of the development process. Amongst other benefits, decentralization relocates powers to the rural people, contributes to the spatial redistribution of resources and creates structures for better service delivery at the local level. In subsequent years, the perspectives of democratic governance and participation through decentralization gained more recognition at the national and international agenda for development. The importance of the link between effective participation and reduction of rural poverty had been well recognized in the realms of development administration. Understandably, there was widespread enthusiasm about decentralization in the developing countries with diverse political systems and variable economic conditions. From 1970s onwards, governments of many developing countries adopted decentralization policies in varying forms and degrees. According to a World Bank study, 'out of 75 developing and transitional countries with populations greater than 5 million, all but 12 claimed to be embarked on some form of transfer of political power to local units of government.'<sup>1</sup>

The case of decentralization in Bangladesh, although having some distinctive patterns, is not dissimilar to the experience of other developing countries in many ways. Decentralization has a long history in Bangladesh, dating back to 1885 when the Local

Self-government Act was passed during the British colonial rule. Creating a loyal landed class in rural areas, the British Empire used the local governments to collect revenues and strengthen their grip throughout the whole region. Since the independence of Bangladesh in 1971, the local government structure has undergone several changes, but generally the core administrative system that was in place in British as well as Pakistan eras remained intact.<sup>2</sup> As is the case in developing countries, the main impetus for the adoption of decentralization policy in post-independent Bangladesh came from the condition of acute poverty of the significant number of population living in the rural areas. The stated objectives of decentralization as propagated by the leaders and administrators of Bangladesh in reforming local government systems have consistently been the improvement of living conditions of the rural masses and increased participation of the people in the process of development.

The process of development incorporating social and economic equality and participation of the people, for the most part, has been a problematic issue in Bangladesh. The colonial legacy of socioeconomic stratification has been evident in the formation of social relations and political structure in post-independent Bangladesh. Following the civil war against the ruling Pakistani regime in 1971, the first government of Bangladesh, the Awami League, 'declared its aim to transform the society into an egalitarian one by taking the path towards socialism.'<sup>3</sup> For all practical purposes, the primary focus of the Awami League government was on ensuring stability and the continuity of its rule. This led to a systematic attempt for political and institutional consolidation of the party in the

state and society. In this environment, decentralization of power and resources became a marginal issue in the context of social and economic development of the country.

By most accounts, the early years of the decentralization experience in Bangladesh was characterized by an ‘attempt to politicize the local administration with the ultimate aim of perpetuating the regime.’<sup>4</sup> In this situation, the local government suffered from a lack of political will as well as a cogent organizational structure. The dissatisfaction with the undemocratic and ineffective local government system was well articulated in political, bureaucratic and academic circles.<sup>5</sup> Nevertheless, the need for an overhaul of the local government system was met with only insignificant changes by those in power.

It is intriguing to note that one of the most radical changes in the decentralization programme was introduced under martial law government of General H.M. Ershad, when there was hardly any space for democratic action. Coming to power in a bloodless coup in 1982, Ershad designated significant powers to the *Upzila* (sub-district) administration and built a local government and administration system with the capacity to develop popular participation by the rural people. However, the structure did not function as anticipated and by and large failed to promote real participation of people.<sup>6</sup> Significantly, the push for democratization and social equality in Bangladesh came mostly from ‘below.’ An alliance of socio-political organizations, students, workers, and the general public led the movement against social injustice, corruption of the repressive and tyrannical government of Ershad and was successful in deposing him from power in 1990.

The fall of Ershad's regime in a mass uprising culminated in a broad political consensus for 'real' democratic and participatory governance both at central and local levels. The events presumably demonstrated the presence of an active civil society and the ability of the grassroots to effect major changes in the national political arena and to counterbalance the despotic characteristics of state in Bangladesh. Justifiably, there was a lot of enthusiasm for change leading to the curtailment of the traditional military-bureaucratic dominance in state policy making and promotion of a socially inclusive process of development. However, the return to parliamentary democracy has not furthered the process of democratization and public accountability. The two successive democratically elected governments in the period of 1991-2001, Bangladesh Nationalist Party (BNP) and Awami League, failed to take advantage of the relatively stable political climate. This fact is well documented in the antagonism among political parties and continued political turmoil and violence, resulting in the absence of opposition parties in parliament and a culture of calling frequent strikes protesting the legitimacy and decisions of the party in power. Consequently, the crisis of political instability, stagnant economic growth, poor governance and law and order, continues to plague the country.

In this backdrop, the issue of government decentralization presents an interesting scope of analyses in Bangladesh. Even though both BNP and Awami League implemented local government reforms during their tenures, there were no fundamental changes in the structure and function of the system. The parties, which draw considerable support from the people of the country, found it very difficult to break down the traditional centralized bureaucratic and political system. Contrary to expectations, the improvement of

economic as well as political governance through meaningful restructuring of public sector did not materialize. On the other hand, it is also worthwhile to examine the efforts these governments made to bring qualitative changes to local government system.

One of the major constraints faced by the governments in devising their social and political reforms is the persistently dire economic condition of Bangladesh. With a per capita income of US\$360, Bangladesh consistently ranks at the bottom of economic and development indices.<sup>7</sup> Economists have explained the continuous financial and resource constraints facing Bangladesh in terms of two-gap model, namely the country's inability to generate enough savings for investment on one hand and earn adequate foreign exchange to pay for imports, on the other.<sup>8</sup> Inadequate infrastructure for investment, lack of growth of the trade and industries sector, narrow capacity for revenue generation, poor institutional capacity of the government, etc., are only a few of the myriad economic problems facing Bangladesh for long. Due to the chronic financial and resource limitations, governments in Bangladesh have found it difficult to adequately meet the rising development and administrative budgets.

It is no wonder therefore that the country relied heavily on external assistance for achieving economic stability and development throughout its history. The overt dependence on foreign aid has resulted in the considerable voice of the donor community in the formulation of development strategies of the country. Particularly, the Bretton Woods pair of the World Bank and International Monetary Fund (IMF) had been the 'friend, philosopher and guide of the regimes in power' in Bangladesh.<sup>9</sup> In the recent past,

the World Bank has emerged as an advisor in country's policy framework and has been instrumental in shaping the course of development. Bangladesh is now a test case for World Bank's new global emphasis on good governance as a pre-requisite for rapid growth and sustained economic development. Focusing on the need for greater institutional capacity of the state for better service provision, the good governance agenda calls for micro-level accountability to be achieved through decentralization, competition, and participation.<sup>10</sup>

The lack of efficiency and capacity of the state apparatus to serve the rural population coincided with simultaneous shift of donor assistance to non-government organizations (NGOs). Emerging primarily as relief organizations after the economic crises after independence, NGOs gradually became involved with poverty alleviation and awareness building programme in the rural areas. Bangladesh now has more NGOs than any other country of comparable size. Pre-empting the space created by the apparent absence of the state at the local level, NGOs have made remarkable strides in a host of areas including micro-credit provision, healthcare, primary education. Thus, the emergence of NGOs as a major player in the process of development and the policy of donors to channel increasing funds through these NGOs assume great significance in the context of government decentralization initiatives in Bangladesh.

The case of contemporary Bangladesh illustrates that decentralization persists to be a difficult and complicated issue both in terms of its administrative and political aspects. It is interesting to note the fact that successive leaders in Bangladesh, both military and



civilian, have found themselves compelled to erect structures for participation through local government. The apparent contradictions in the policy objectives and implementation of decentralization initiatives in Bangladesh are manifested in the failure to create a stable local government system even after a substantial amount of time. In the three decades since the liberation of Bangladesh, as many as six decentralization strategies have been devised. These reforms were not more than 'tier experimentation' with emphasis of local government levels shifting from one to another without any real justification.<sup>11</sup> Significantly, in most of the decentralization programmes, the necessary emphasis on development was conspicuous in its absence. The decentralization policies have suffered from a lack of 'proper sequencing,' raising questions about, among other things, the composition of local governments and the interface between bureaucracy and politics.<sup>12</sup> In addition, while local government has been entrusted with a large number of developmental and administrative functions, they have limited autonomy and resources to plan and implement them. Similarly, participation and representation of people in the local affairs through decentralization has been a convoluted process in Bangladesh, not least due to the somewhat unique agrarian structure. It is quite apparent that some serious questions in decentralized governance remain unanswered.

The concern of this study relates to the local government not just as project implementation units and the channel for delivery of services but rather as a complete system constructed on the basis of effective and sustainable governance in the rural areas. In Bangladesh, the emergence of local government system as a political and institutional process that can contribute to the betterment of rural people through enhancing the

developmental choices available at the local level and a better inclusion of all social groups in these choices has been full of contradictions.<sup>13</sup> Despite much rhetoric, the case of decentralization as a strategic goal for development in the spirit of devolution of power to local level seems to be relegated to marginal importance. Meanwhile, the fortunes of the people in rural Bangladesh have shown little signs of improvement and the situation of poverty and what Hartmann and Boyce call ‘needless hunger’, seems to be a perpetual phenomenon.<sup>14</sup>

## **1.2 Research Question**

The study explores the dynamics of decentralization process in terms of conditions in Bangladesh. In that regard, the study is going to deal with some central questions that derive from the socioeconomic context of decentralization and development in the country. These inter-related questions analyze the totality of the factors influencing local governance as well as the outcomes of the process in order to understand the dynamics of decentralization and the purposes it has served in Bangladesh. Specifically, the study will address three core issues that form the basis of thesis argument:

Firstly, what are the circumstances that influenced the policies and shaped subsequent reforms of decentralization in Bangladesh? The analyses of the political and economic situation will point out the factors guiding the policy framework of the government as well as mapping the roles of other actors involved in the thrust for an effective local government system. The issue proffers a background to the process of decentralization by

examining the conditions under which the local government reforms were initiated and implemented.

Secondly, has the decentralization process in Bangladesh been able to transfer power to the local administration? In other words, did decentralization provide the people with a responsive, autonomous and accountable administration at the local level? This aspect highlights the modes and mechanism of devolution of power from the central administration to local government bodies in light of its implications in the development process.

Finally, was decentralization able to incorporate the people in the prevailing political and economic system? To rephrase the question, has decentralization led to a socially inclusive and participatory form of development for the people who were previously marginalized? By attempting to determine the participatory processes in local government structures in Bangladesh, the study will look into the key determinants shaping the role of people in the decision-making process and access to resources as well as the challenges of integrating people previously marginalized in the process of social and economic development.

### **1.3 Focus of Analysis**

The study analyzes the political economy of decentralization process in Bangladesh. In this connection, the scope of analysis is the regional or rural government, and consequently the urban local governments will be outside the purview of the study. This

is primarily due to the reason that the analysis of local governance presents some unique features in the socioeconomic context of rural Bangladesh. As well, the majority of the population in Bangladesh falls within the jurisdiction of rural local governments making them a crucial aspect in the overall development efforts of the country.

The time-span primarily covered in the study is restricted to the period from 1982 to 2001 for the two following reasons. Firstly, the early 1980s heralded an important point in time for Bangladesh as the country began to undergo economic restructuring, mainly in the form of structural adjustment and stabilization programmes of World Bank and IMF. Thus, a review of policies on decentralization under the conditions of economic reforms would, therefore, be possible. Secondly, the political scene in the two decades starting from 1980s up to now in Bangladesh can be distinguished by both military and civilian rule.<sup>15</sup> Greater focus on the period would be useful in analysis of and comparison among decentralization policies in different political environments.

#### **1.4 Rationale of the Study**

For long periods in history, control over development activities in most third world countries has been centralized in national government ministries and agencies. As the economic and social goals of central planning failed to materialize, interests in decentralization as an administrative instrument gradually gained ground. At the same time, the need for a more inclusive approach to development incorporating concepts like democracy, equitable growth, and improvement of living standards, was well recognized. With the integration of various political and administrative aspects, decentralization

became a formidable strategy in the field of development. A clear relationship between decentralization and reduction of poverty was also established.

One question that becomes relevant here is how critical is decentralization for Bangladesh. Due to the axiomatic disposition of the issue, the reasons for adopting decentralization policies and associated reforms are often disregarded. However, recent empirical evidence underscores the point; significant gains in the poverty field in Bangladesh have occurred without any commensurate advances in the decentralization agenda. Notwithstanding weak local governments, Bangladesh made some positive strides in the field of food production, rural infrastructure, micro-credit provision (mainly through NGOs), and human development indices, all of which translated into major gains in the fight against poverty. However, the rationale behind greater focus on local governance arises out of the poverty trends itself. With net rate of poverty reduction appearing to be stuck at one percentage points in the 1990s, there are adequate justifications to re-visit the issue of decentralization.<sup>16</sup>

Bangladesh is a country in south Asia covering 144,000 square kilometers of territory. With the total population about 130 million, Bangladesh is one of the most densely populated countries in the world. A large part of this population lives in the rural areas and depends directly or indirectly on agriculture for their livelihood. Although the share of agriculture in the economy has shown a declining trend, it still constitutes about 35 percent of the gross domestic product (GDP) of the country.<sup>17</sup> Although beset by natural calamities like floods and cyclones almost every year, Bangladesh was able to reach food

autarky in its recent history. In spite of some encouraging developments, extreme deprivation and suffering is experienced by a large percentage of the population. This is particularly obvious in the rural areas where a lack of productive resources and infrastructure is reflected in the unemployment, poor standard of living and the low levels of human development. Throughout the history, the rural mass living in the villages have frequently been sidelined in the course to progress. Evidently, without the inclusion of the rural population in the national development process, it is unlikely that Bangladesh would be able to achieve sustainable economic and social development.

There are several compelling reasons as to why the decentralization programmes in Bangladesh should be worth academic interest. Politically, the push to institutionalize an effective local government has been evident in the numerous reform measures taken up by all governments in Bangladesh. Decentralization has featured consistently in the development agenda in Bangladesh by politicians, bureaucrats and civil society organizations and the like. There was broad consensus for the need to transfer significant powers to the rural areas. While decentralization is not a new approach in the context of political and economic development in Bangladesh, it has not yet achieved a sense of permanence and continuity. As Bangladesh continues to grapple with socioeconomic and political problems, the government decentralization programme presents itself as an issue worthy of more profound analysis.

### **1.5 Thesis Statement**

The study underscores that decentralization often has been used as a political tool in developing countries. The technocratic interpretation of decentralization emphasizing efficiency and privatization of service delivery ignores the contextual factors. Rather, the outcome of decentralization depends on the broader political and economic dynamics. The thesis further illustrates that a strong authoritarian state is likely to devolve power to the local level for political gain and that the relationship between decentralization and democratization is not as straightforward as it appears.

In the case of decentralization in Bangladesh, there has been a conscious effort on the part of regimes to revert to “recentralization” even in context of decentralization initiatives. As a result, local government reforms have generally lacked real devolution of power and an overwhelming number of rural people were excluded in the development process. The decentralization policy with the participatory form of was in fact devised by the military government of General Ershad which served the dual purpose of increasing the regime’s credibility as well as providing it with political support base. In contrast, the two subsequent reform measures by democratically elected governments were mainly defensive in nature with hardly any powers and authority transferred to local level. Even though the situation was favourable for genuine political and administrative changes, undertaking wide ranging local government reform contradicted with the policy of regime perpetuation and decentralization remains a neglected sector in the country.

## **1.6 Conceptual Framework**

The study relies upon a political economy approach to examine the case of decentralization in Bangladesh. Political economy refers to the correlation between power and wealth, suggesting the enmeshment of political and economic domains in the process of development. The political economy approach explains ‘how political power shapes economic outcomes and how economic forces constrain political action.’<sup>18</sup> The study proposes that the process of governance and democratization through the decentralization in Bangladesh must take into account the perspectives of political economy of development. Both the economic and political dimensions influence each other and neither can solely explain the dynamics of decentralization experience as it evolved in Bangladesh.

The decentralization discourse in Bangladesh has mostly been discussed in normative terms. Typically, issues like administrative reform, economic efficiency, and liberal interpretations of democracy have dominated the views concerning decentralization. While these issues are important components of the study, it is critical to incorporate the underlying premises of local governance in Bangladesh. In order to do that, the study will make an effort to examine the broader political and economic configurations and implications of decentralization. Therefore, greater focus will be given to, among other issues, the nature of the state, the dynamics of development of productive forces, the process of social relations and the effect of internal constraints. The analyses of the local governance ought to have economic and political aspects at the central and local level as the point of reference.



As well, it is becoming increasingly difficult to assess the domestic political and socioeconomic dynamics without giving adequate attention to the global affairs. Given the relentless trend of globalization, the political economy approach offers a more rational view considering the shrinking distinction between international and national level of analysis. In particular, the order of global economy and international geopolitics has significant effect on the internal political and economic situation of the developing countries. In the process of globalization, these countries are used as a mechanism through which the benefits are appropriated at the global level. The corollary is the international market mechanism gaining greater control over the sovereignty and independence of the nation states. The inevitable decline of support to public sector, in turn, systematically displaces the social infrastructure of the poorer countries resulting in increased suffering for the working and lower classes.

Within the political economy framework, a number of concepts have been used to guide the analysis of the study. For the purpose of clarity, these key concepts are defined in the following way:

**Development:** is the process of social and economic transformation leading to progress. This transformation relates to the step towards the emancipation and empowerment of people on the basis of social equity and advancement.

**Decentralization:** is the transfer of power to the regional and local government in a territorial hierarchy. Decentralization involves both reversing the concentration of administration at a single centre and conferring powers to local government.<sup>19</sup> Therefore, devolution of power to lower levels involves both political and administrative

implications. Decentralization is not only a process of administrative restructuring but is a strategy of creating autonomous, accountable and responsive local government system.

**Governance:** is not only concerned with institutional and administrative issues but also relates to political considerations of legitimacy, pluralism, participation and consensus.<sup>20</sup>

Central to the concept of governance is the creation of an environment based on democracy and human rights at both macro and micro level. The issue of governance also takes consideration the contextual factors of the state and society.

**Participation:** is defined as the active engagement of citizenry in the process of development. Participation leads to wider representation and empowerment of the people resulting in their access to decision-making structures that affect them and bringing benefits for all. Participation is seen both as means facilitating the development process and also an end in itself.

**Democratization:** is understood as a process of building democratic institutions on the basis of political participation and representation, protection of human rights, and a system of governance promoting equitable access and distribution of power and resources.

## **1.7 Methodology**

The study utilizes a descriptive-analytical approach in an attempt to understand the phenomena of decentralization process in Bangladesh. The methodology used is a case study of the decentralization programme between 1982 and 2001. The study involves in-depth analysis of the decentralization set-up and functions in view of the political economic situation of the country. In addition to comprehensively studying the

decentralization experience in Bangladesh to draw out some intrinsic aspects, the case will be used to better explain the research propositions and arguments already formulated.

The study is mainly based on secondary sources- books, journals, documents and other types of publication. The secondary data and analysis will be gathered through library and computer assisted research in Halifax.<sup>21</sup> In order to substantiate the intention of the analysis, the study uses both qualitative and quantitative data.

### **1.8 Structure of the Argument**

The thesis of the study will be argued in the following manner:

- **Chapter Two** critically examines the bodies of literature that relate to the theoretical framework on decentralization with particular focus on the developing countries. The Chapter will try to draw out the key aspects relevant to the study from an overwhelming body of literature on decentralization and development. The objective is to set up a theoretical basis for evaluating the research problem. In addition, this secondary analysis will highlight some direct and indirect evidence to support the thesis argument.
- **Chapter Three** provides a macro context of Bangladesh within which political and socioeconomic issues would be discussed. The macro economic and political contexts present a background to the conditions from which the policy of local government emerged and evolved over the years. Attention will also be given to the agrarian structure and rural scenario in Bangladesh to gain a broader understanding of the

local arena. This review of the background allows for the identification of the conditions influencing the decentralization experience in Bangladesh.

- In **Chapter Four**, a case study of the decentralization policies implemented in Bangladesh, with greater attention given to the reforms between 1982 and 2001, will be taken up. Issues concerning the formulation and implementation of local government reforms, the condition of local governance, the administrative structure and functions of decentralized bodies, the process of participation in local government units, etc. would be critically examined.
- **Chapter Five** is a summary and conclusion of the study. It will determine the dynamics of decentralization in Bangladesh by drawing conclusions from the previous sections of the study. The salient aspects of the decentralization initiative and local government system in Bangladesh will be highlighted in this Chapter. It will illustrate the decentralization experience as it relates to the politics of development in Bangladesh.

## ENDNOTES:

<sup>1</sup> Richard C. Crook, and James Manor, Democracy and Decentralization in South Asia and West Africa: Participation, Accountability and Performance (Cambridge: Cambridge University Press, 1998) 1.

<sup>2</sup> The British ruled Bengal from 1757 to 1947 and from 1947 to 1971, Bangladesh, as East Pakistan, was a province of Pakistan.

<sup>3</sup> Chowdhury E. Haque, "Introduction: The Need for a Focus on the Political Economy of Bangladesh," Bangladesh: Politics, Economy and Society, ed. Chowdhury E. Haque (Winnipeg: University of Manitoba, 1987) 1.

<sup>4</sup> Niaz Ahmed Khan, "The Political Economy of Decentralized Local Governance in Bangladesh," Indian Journal of Social Work 62:1 (2001): 98.

<sup>5</sup> Habib Zafarullah, "Local Government Reform and Accountability in Bangladesh: The Continuing Search for Legitimacy and Performance," Regional Development Dialogue 18.2 (1997): 39.

<sup>6</sup> See Kirsten Westergaard, and Muhammad Mustafa Alam, "Local Government in Bangladesh: Past Experiences and Yet Another Try," World Development 23.4 (1995): 681-684.

<sup>7</sup> The per capita income shown is Gross National Income (GNI); See World Development Indicators, 2003, World Bank, 5 October 2003 <<http://www.devdata.worldbank.org/data-query/>>

<sup>8</sup> See Muhammad Shamsul Huq and Chowdhury Rafiqul Abrar, Aid Development and Diplomacy: Need for an Aid Policy (Dhaka: University Press Limited, 1999) 17.

<sup>9</sup> Debapriya Bhattacharya, "A Tale of Two Sisters: Two Decades of the World Bank and International Monetary Fund in Bangladesh," Contemporary South Asia 5.2 (1996): 152.

<sup>10</sup> See Anne Marie Goetz and David O'Brien, "Governing the Commonwealth? The World Bank's Approach to Poverty and Governance," IDS Bulletin 26.2 (1995): 17-18.

<sup>11</sup> See Hossain Zillur Rahman, "The Challenges of Decentralization," The Daily Star [Dhaka] 25 March 2002.

<sup>12</sup> See Zarina Khan, Patterns and Processes of Decentralization in Bangladesh: Challenges and Issues, Abstract 1-3.

<sup>13</sup> See Rahman.

<sup>14</sup> See Elizabeth Hartmann, and James K. Boyce, "Needless Hunger: Poverty and Power in Rural Bangladesh," The Political Economy of Rural Development: Peasants, International Capital, and the State, ed. Rosemarry E. Galli (Albany: State University of New York Press, 1981) 175-210.

<sup>15</sup> General H.M. Ershad created his own political party (*Jatiya Party*) in mid 1980s and transformed himself to a civilian leader.

<sup>16</sup> See Rahman.

<sup>17</sup> See The World Factbook, 1 August 2003, Central Intelligence Agency, 5 October 2003, <<http://www.cia/publication/factbook/geos/bg.html>>

<sup>18</sup> George T. Grane, and Abba Amawi, The Theoretical Evolution of International Political Economy (New York: Oxford University Press, 1997) 3.

<sup>19</sup> B.C. Smith, Decentralization: The Territorial Dimension of the State (London: George Allen & Unwin, 1985) 1.

<sup>20</sup> See David Williams, and Tom Young, "Governance, the World Bank and Liberal Theory," Political Studies XLII (1994): 84-100.

<sup>21</sup> One limitation of the study was the lack of adequate data and analysis on the decentralization experience in Bangladesh in the 1990s. While the local government reforms under General Ershad have been well documented, there was a dearth of more recent literature on the country's decentralization policies in Halifax.

## **Chapter Two**

# **Theoretical Perspectives on Decentralization**

### **2.1 Introduction**

In the context a global emphasis on issues of governance, many countries are implementing extensive state reforms including decentralization of government structures and functions. Attempts at socioeconomic development in the developing world have become naturally synonymous with decentralized governance in sharp contrast to earlier strategies. Decentralization has been regarded as a major institutional framework for local level participation and service provision leading to national progress.

Decentralization has drawn considerable attention in national governments, international donor organizations, scholarly and policy-making circles across all regions of the world. The rising interest has seen, particularly since the 1980s, the policies of decentralization and local government reforms being implemented in an increasing number of developing countries. Decentralization had become, in Conyers' words, 'the latest fashion in development administration.'<sup>1</sup> The widespread implementation decentralization policies in Third World, however, have usually been equally followed by debates of much complexity and contradiction. Various writers have proposed very divergent meanings and much ambiguity surrounds the concept. Decentralization constitutes a flexible discourse that can be utilized by different ideological interests. In fact, due to the fluidity of the concept, decentralization has been used extremely lithely, permitting different theoretical models as well as policy prescriptions to be presented in its name.

The domain of decentralization is extremely broad. Due to its multi-dimensional nature, decentralization encompasses political, fiscal, administrative and social aspects that are largely crosscutting. As a result, there is a great diversity of approaches stressing disparate tools of analysis of decentralization. This chapter, rather than focusing on any particular stream, tries to integrate the divergent traits and provide a framework for understanding the dynamics of decentralization and its implications in the distribution of power and resources between state and society. To that end, it tries to assemble and reconcile the relevant issues that relate to the political economy of development so as to proceed to with the analysis of the decentralization in Bangladesh.

## **2.2 The Concept of Decentralization**

Decentralization was not always the norm in the developing countries. For a number of reasons- historical, political, economic, developing countries had generally been more centralized than industrial countries. Centralization was perceived as particularly important after struggles for independence and during periods of domestic and regional conflict.<sup>2</sup> Leaders of newly-independent nations, in pursuit of rapid development objectives, subscribed to centralization of power and planning and saw democratic local governments as ‘irritants at best, if not obstacles to their ambition to build powerful economic states.’<sup>3</sup> Related to this, the bureaucracy and nucleus of political power in these countries have tended to function in a centralizing manner. Many socialist countries adopted centralizing approaches in the belief that political centralization and the existence of a strong central state would be able to preside over policies of nationalization and the development of productive forces. It has been evident that highly centralized

states have been able to implement policies of income and land redistribution as well as effecting significant reductions in the level of regional disparities.<sup>4</sup>

It is also important not to conflate the importance of the centralization of a number of key economic functions like energy, communication, industries, and establishment of state owned enterprises. The concentration of power in the executive, the inflation and compartmentalization of administration and localization of commercial activities in and around the capital have all contributed to reinforcing the centripetal bias of development.<sup>5</sup> As many developing countries gained independence, the process of nation-building had a highly centralizing effect, a pattern many of these countries found hard to break away from. Centralization was, and still is a reality both in terms of policy and ideology and therefore, provides important insights to analyzing the dynamics of decentralization.

Decentralization, in theory, is the opposite of ‘centralization’ or the concentration of power. However, ‘centralization and decentralization are not attributes that can be dichotomized; instead they represent hypothetical poles on a continuum that can be calibrated by many different indices.’<sup>6</sup> Decentralization, thus, has deeper connotations than merely the dialectical meaning. Decentralization means both reversing the concentration of administration at a single centre and conferring powers to local government. This definition, according to Smith, sums up the concept of decentralization as a political phenomenon involving both administration and government.<sup>7</sup> Conyers defines decentralization as ‘any change in the organization of government which involves the transfer of powers or functions from the national level to any sub-national level(s), or



from one sub-national level to another, lower one.’<sup>8</sup> The basis of transfer of power is often territorial as the objective is to place authority at a lower level in a territorial hierarchy and thus geographically closer to the service providers.<sup>9</sup> As well, decentralization can be functional, that is- shifting authority of certain functions like education or transport to specialized agencies of the government. Decentralization can also involve financial implications through ‘downward fiscal transfers by which higher levels at a system cede control over budgets and financial decisions to lower levels.’<sup>10</sup> Developing a systematic typology of decentralization has been difficult and provokes many conceptual, ideological and technical debates. Nevertheless, it is useful to delineate some distinct dimensions of decentralization as identified in the literature.<sup>11</sup>

Manor defines devolution as transfer of resources, tasks, power and decision-making to lower level authorities which are largely or wholly independent of the central government, and democratically elected.<sup>12</sup> Devolution therefore, involves transfer of political, administrative, financial authority to plan and implement development programmes and provide services. Devolution of power to sub-national units or lower levels of government is considered as the most desirable form of decentralization as it combines the promise of local democracy and self-governance with efficient service delivery.<sup>13</sup> Since devolution involves the transfer of power to civil society, the concept is synonymous with political equity and popular participation. In devolution, the role of central administration is to ensure that the local institutions operate within a broadly defined national policy.

Another variety of decentralization is deconcentration or transfer within public administrative or parastatal structures. The focus here lies on administrative rearrangement and institutional restructuring for implementing state policies. Delegation of responsibilities and functions to state or semi-autonomous entities as a form of decentralization has also featured prominently in the public administration literature. Delegation refers to the transfer of responsibility of maintaining and implementing sector duties to semi-autonomous government agencies that operate independently of central government control.<sup>14</sup> Towards the end of 1980s, the meaning of decentralization also incorporated the replacement of state agencies by private and non-profit organizations. This shift was consistent with the emergence of structural adjustment policies aiming liberalization and deregulation of economies in developing countries. The inclusion of privatization as a category of decentralization is mainly explained in terms of the minimalist role of state, rather than re-assignment of authority within the state.

It is important at the outset not to overlook the fact that decentralization has generally not followed any singular pattern in developing countries but rather tend to represent mixture of different types or 'hybrids.' Decentralization policies in most developing countries, in general, have been explicitly or implicitly confined to deconcentration. While an efficient field administration is important aspect of local development, it is still and essentially an extension of the central state. Manor argues that deconcentration is usually undertaken by governments not democratically accountable and used as a device to provide such governments with greater penetration into and control over local arenas and civil society.<sup>15</sup> In deconcentration, there is no horizontal integration as the power still lies at

the hand of the central state. Samoff, taking a similar view, argues that administrative decentralization through institutional reform is not decentralization, as it does not empower the disadvantaged and under-represented groups.<sup>16</sup> Due to the political implications, the imposition of decentralized structures on the basis of devolution has been particularly difficult to attain in developing countries. As such, despite the desirability of devolution as a form of decentralization, the imperatives of democracy and autonomy that it entails has generated much contestation in practice.

In addition, determining the extent of decentralization has also faced problems of clarity and perception. Comparisons over time and among countries and regions as to the level and outcome of decentralization as well the criteria for evaluation has been a subject of extensive debate. One major problem in this context is that of holding the other determinants and indices of local autonomy and policy formulation constant so that the variable impact of decentralization can be assessed. Decentralization thus has to be accepted as a variable, not an attribute.<sup>17</sup> Broadly, measurement of decentralization can be classified in two general categories of politico-administrative and economic.<sup>18</sup> Under the first category, an obvious element is the governmental functions- types, level of importance and territorial distribution. The relative autonomy of the local government to formulate and carry out policies provides a further indication of extent of powers and responsibilities. Moreover, the election or selection of personnel, both officials and representatives, in the local institutions is an additional criterion, particularly in the context of democratization process of the government.<sup>19</sup> In relation to the economic factors, Smith mentions that areas of decentralization can be compared according to their

revenue-generating powers including the locally raised revenue in proportion of the total state figure. On the other hand, the level of total local expenditure or spending as a proportion of the total public expenditure can shed light to the significance of decentralization over time in the same political system.

The emergence of decentralization as a policy tool for economic and social development has some historical points of reference in developing countries. Many factors converged to the thrust of decentralization discourse into the development agenda. The emphasis on decentralization in the development debate and in donor policy is generally concerned with the improvement of government performance and the implementation of development programmes.<sup>20</sup> It is linked to the broadening of the concept of development to comprise growth-with-equity and emphasizing basic needs of the poor through local level participation. Political considerations probably influenced most decentralization policies in the Third World. The perception that a decentralized decision-making system ensures well-being of those who are likely to be affected is widely accepted. This premise mostly derived from the political, i.e., democratic imperative that citizens have to take part in decision-making process in order to bring material benefits as well as qualitative changes in their lives. A centralized system can work as an obstacle to stable political system and limit the scope of participation and representation of people, and as a result is generally considered as inimical to democratic values. Therefore, emphasis in decentralization programmes and reforms have been on democratic decentralization and 'local government' in which development is seen as requiring political autonomy to be devolved to government institutions located at the regional level.

The rationale for decentralization also derived from the problems of centralized power structure and decision-making system. The difficulties faced in effecting social and economic development away from the basic spatial units like villages and districts were recognized by a wide spectrum of policymakers. With power centralized at the top of space in a pyramidal power base, there is no representation for backward regions and weaker sections of the society. In such a system, the interests, felt-needs and aspirations of the people living in remote areas tend to be overlooked. Centralization may also give rise to the emergence of enclave-type power bases and unequal distribution of power, and breed separatist or secessionist movements.<sup>21</sup> Similarly, ethnic and religious diversity may cause unrest from centrifugal forces leading to disintegration of state. Delegating or devolving power and functions is seen as a way of being more easily accessible to local people and increasing effectiveness and promptness in service delivery. Decentralized units of government are in a better position to articulate the needs and implement development programmes by taking into account the uniqueness or peculiarity of regions. As well, decentralization cuts red tape and improves promptness and efficiency of service delivery so that the government functions in an efficient, cost-effective and timely manner. Decentralization also enhances downward accountability as local representatives are more accessible to the populace and thus can be held more accountable for their policies and outcomes than distant national political leaders.<sup>22</sup> It is believed that decentralization can potentially increase local resource mobilization and create employment in rural areas.

### **2.3 The ‘Technocratic’ State**

In recent times, the public sector in developed, developing and transitional countries had been undergoing wide-ranging changes as part of a broader process of political and economic reform. There has been a discernible shift in the emphasis from ‘welfare’ functions of states towards a more efficient and modern government institutions. While receiving initial impetus in the North, such processes have reached global dimensions in the early 1990s with their diffusion through multilateral and bilateral aid mechanisms. Government decentralization, seeking division and dispersal of functions and procedural efficiency, is at the heart of this ‘new order.’<sup>23</sup>

During the 1980s, developing countries, in view of the acute debt crisis and economic stagnation, experienced a reorientation of their economies through structural adjustment programmes (SAP) prescribed by International Monetary Fund and the World Bank. The policy instruments used to carry out SAP consists of privatization of state owned enterprises (SOE), devaluation of currency, deregulation of central government activities, withdrawal of subsidies to social and agriculture sectors, promotion of export-led industrialization, and opening up the economy to international capital. The neo-liberal assumption that shaped SAP was that an unfettered market could solve the economic problems facing developing countries. The emphasis of SAP was therefore clearly on downsizing the state apparatus in order to facilitate market-driven policies, a process of ‘hollowing out the state.’

The notion of decentralization focusing on dispersing state functions and responsibilities to private and other non-state sectors therefore was conveniently situated within the framework of structural adjustment and became formalized at the policy level. At the core of decentralization policy under SAP was the improved capacity and reduction of expenditure and size of central and local governments, reduction of local government size and public sector deficits, and competitive production of public services that would improve the quantity and delivery of services. The borrowing countries were encouraged to seek alternative instruments for the delivery of services from parallel and informal economies and institutions.<sup>24</sup> In addition, it was perceived that local government would offer incentives for the development of local private as well as public economies by separating provision from production of services.

The governments of developing countries, operating under the constraints of SAP and looking for ways to decentralize some of the burden of service provision to the local level, were forced to seek funding for decentralized services not from the traditional tax sources or government transfers but from user fees- for basic services like health and education.<sup>25</sup> While public subsidies were maintained for political reasons, expenditure on investment and the maintenance of infrastructure diminished.<sup>26</sup> The overt disregard of social aspects had highly deleterious effects in the social and economic polarization and instability- a process vivid across numerous counties in sub-Saharan Africa, Latin America and Asia. The 'benefits' the economic model of SAP not only failed to percolate down to the grassroots but also reinforced the disparities between macro and micro level and accentuated the poverty situation.

The donor policy, in view of the SAP failure has undergone a systematic reformulation in policy moving away from the singular focus on economic growth to governance and poverty reduction. It is perceived that effective governance results from continuing economic liberalization and decentralization, carried out by accountable and efficient bureaucracies to produce economically friendly and in turn politically empowering environment.<sup>27</sup> The emergence of governance in the agenda of donors reflects the need for an enabling environment to facilitate prescribed economic reforms. As a result, the issues concerning decentralization still relate to fiscal or financial aspects- macro-economic stability, and institutional capacity, corruption and governance and so on.

An overriding concern for the World Bank is a possible imbalance between expenditure responsibilities and revenue resources which may lead to macro-economic stability- mainly due to 'the deficit behavior of local governments.' The lack of success in initiatives of decentralization in developing countries is attributed to weak institutions resulting in the lack of transparency and accountability in decision-making which in turn produce frail democratic systems. According to World Bank, '...evidence suggests that the problems associated with decentralization in developing countries reflect flaws in design and implementation more than any inherent outcome of decentralization.'<sup>28</sup> Much emphasis is placed on the institutional reforms in designing policies for decentralization; weak institutions are an impediment to responsiveness, accountability and governance.<sup>29</sup> The role of participation in this context is to improve the effectiveness of state through pressures to local government performance as well as to ensure better implementation of development programmes.



Decentralization has therefore become an important underlying principle of the move towards 'the technocratic managerial state.'<sup>30</sup> While SAP provided a political-economic channel for disseminating the decentralization discourse to the developing countries, governance agenda reinforces the link between market mechanism and administration and pursues development as a 'single process of technical policy making.'<sup>31</sup> In the 'revisionist' neo-liberal discourse, there has been shift towards not only less government, but also an efficient one. The donors' perception of decentralization as shifting the burden of service delivery and revenue generation to local stakeholders is a very different inflection compared with liberal and radical approaches that see devolution of power to local government as a means of forming the seedbed of democracy.<sup>32</sup> Decentralization is seen as instrument independent of social and political aspects, and development a procedural and technical process. Giles and Stokke state that these new type of development interventions 'divorce technical questions of economics from the ideological concerns of politics so that the logic of the market is presented as natural.'<sup>33</sup> Consequently, decentralization, as viewed by the technocratic state, is reduced to a functional tool of economic efficiency.

## **2.4 Good Governance and Democratization**

The international development agencies introduced the concept of 'good governance',<sup>34</sup> in late 1980s when there appeared to be an impasse in the policy framework of development assistance. An overriding donor concern at present is the promotion of good governance through democratization, participation, human rights, rule of law and decentralization. Political conditions have been attached to this new framework of development aid in a

move towards the broader agenda comprising the reconfiguration of states and development process in Third World countries. At the heart of the of good governance agenda therefore is a transparent, participatory, accountable and effective state, which would facilitate development process through increased growth, reduction of corruption, and promotion of democracy. The approach has been rigorously followed by donors, led by the World Bank, and thus has major effects on the developing countries.

The concept of good governance, if it is not interpreted as an invention to explain the setbacks of SAP, has come under criticism specific to itself. Primarily, the concern relates to the contradictory focus of good governance discourse on the political goals of participation and accountability, as well as on the technical goals of efficiency and effectiveness. Despite the centrality politics to governance, there has been a systematic attempt by the donors to forward the attainment of good governance in apolitical and technical-administrative terms. However, as Bryld points out, the achievement of parallel objectives of participation and efficiency through good governance is difficult, as ‘an authoritarian regime with a single string of command is presumably the most efficient and least participatory government.’<sup>35</sup>

Governance essentially, ‘...goes beyond government and includes some of the less formal power structures that affect the lives of ordinary people’.<sup>36</sup> Since governance involves more than the state and civil society entities, it is rather elusive and hard to develop. As such, concepts like accountability, legitimacy, and transparency are usually attached to the state and its institutions rather than to governance thereby neutralizing the latter. The

concept of good governance has been narrowed down to technical discourse of state ignoring the power relations that influence the whole process. Leftwich, taking a more critical view, states that good governance essentially ‘means a democratic capitalist regime, presided over by a minimal state which is also a part of the wider governance of the New World Order.’<sup>37</sup> The emergence of good governance thus can be seen as an endeavour to sustain the ‘international technocracy’ in the developing world.

The dimension of governance has important implications for decentralization as it broadens the political space to include the critical roles played by civil society and other non-state actors. When the concept of governance is applied to the local arena, a case of ‘local governance,’ it necessarily includes elements that are considered outside of the public policy process.<sup>38</sup> While local governance allows the reconsideration of local government as more than just the extension of the central government, it also undermines the role of state and ignores economic and social bases of political power.

As indicated earlier, democratization has been attached to the concept of good governance and both of them are considered mutually reinforcing the development process in peripheral societies. This perspective refers to a political regime based on liberal democratic political model that protects human rights, combined with a competent and accountable public sector as the basis of political equality, liberty and stability and therefore as an integral part of democratization process. Economic models are also incorporated into this democratization discourse where the citizen can seek to maximize personal utility and choice by way of localization of decision-making and voting

behavior. It is perceived that 'such political systems are functional for competitive, free market economies, and vice versa.'<sup>39</sup> In this regard, an obese state, with a large stake in economic life is considered incompatible with an independent and pluralistic civil society and hence seen as an impediment to effective democracy.

The democratic good governance discourse proposes that 'democracy is a necessary prior or parallel condition for development, not an outcome of it.'<sup>40</sup> Economic growth, democracy and equity objectives are can be pursued successfully without any inherent tensions or contradictions, it is assumed. That democracy should precede development is a complete about-turn from the modernization perspective which prioritized industrialization and urbanization ahead of political plurality. As well, there is no examples of good or sustained growth in the developing world have occurred under conditions of uncompromising economic liberalism, whether democratic or not.<sup>41</sup> Furthermore, there is very little evidence that either democracy or decentralization is necessary for poverty reduction in rural areas.<sup>42</sup> Critics of liberal interpretations of democracy have, instead called for a developmental state with reasonable amount of autonomy in policy formulation and objectives and also enjoying a balanced relationship with society and economy.

According to Leftwich, the move towards a combination of economic and political liberalization must be understood in the context of global political events such as the emergence of neo-liberals, collapse of communism, pro-democracy movements across many nations. Leftwich, sketching a bleak scenario, argues that 'the interaction of free

markets and competitive democracies in poor, unequal and divided societies will unleash highly unstable variables which will combine to undermine both economic growth and democracy.’<sup>43</sup> It is in view of the tenuous relationship between decentralization and development that prompted one author to conclude, ‘decentralization is one thing, democracy is another.’<sup>44</sup> The corollary is that no clear relationships exist between democracy and development and in turn, there is ‘no inherent correlation between local government set-up and democracy.’<sup>45</sup> Moreover, there are doubts as to the necessity of democratization for development since sound economic performance requires a system of governance that favours planning and coherence over demands of democratic representation.<sup>46</sup>

Throughout the 1980s, decentralization policies were implemented in the process of (re)-democratization in many developing countries in Asia and Latin America. Notwithstanding the donor policies, virtually all types of regimes- military dictatorships, single or multi party rules, monarchies, introduced some forms of decentralization at different points in time. For some countries, this shift can be attributed to the search for legitimacy of regimes in view of the uncertainty caused by the sudden lack of external support after end of the cold war. Related to this trend, increasing internal pressures for democratization following popular uprising against state domination and coercion was also evident. Since the installation of representative form of democracy at the national level is often seen as a first step towards placing powers at the hand of people, political devolution from the central state to provincial or local governments often comes fast on the heels of national democratization process as was the case of in the many Asian and

Latin American countries.<sup>47</sup> Veltmeyer points out that the rationale for taking up participatory decentralization for many Latin American countries was a quest for legitimacy in the context of redemocratization process and associated pressures from civil society.<sup>48</sup> In these countries, decentralization can be seen as a 'second wave' of democratic reform,<sup>49</sup> depending and building on the democratization process taking place at the national level.

Decentralization is thus considered to be a cornerstone of good governance both in promoting local accountability and transparency, and enfranchising local populations. However, the conceptual connection between decentralization and democratization in developing countries is somewhat blurred in that very few countries have been able to tolerate or sustain pluralism and competition political parties at the national level and a democratic decentralization at the same time.<sup>50</sup> Democratic local government systems have mostly been undertaken within the context of a *de facto* one-party or authoritarian state. Similarly, Ingham and Alam in analyzing the sub-district system in Bangladesh argued that only a strong central state usually is likely to cede powers to local government. Military regimes over the years have often tended to establish very powerful local government set-up with the premise, among others, that 'to allow an excessive or unnecessary distance to arise between the government and the governed is to encourage disorder.'<sup>51</sup> Here, the local administration is considered as not much more than an instrument of control for the state. In a related manner, highly authoritarian regimes have been seen to use decentralization as a pretense to retain power. The situation often leads to situation where responsibilities are decentralized but not power. National leaders,

military or 'democratic', reluctant to devolve power, only promulgated decentralization without genuinely attempting any significant change to the existing system.

Similarly, Hart argues that the commitment to democracy must precede commitment to decentralization if the latter is to be instrumental in promoting the former.<sup>52</sup> Promoting decentralization policies without that prior commitment can result in ineffective and undesirable outcomes as evident in many developing countries.<sup>53</sup> Moreover, it is very likely that autonomous local governments can work against democracy rather than furthering it.

As well, the potential of local democracy in developing countries is uncertain due to the relative absence of the pre-conditions of popular democracy such as high levels of literacy, an established middle class, a strong civil society and relatively limited forms of material and social inequality.<sup>54</sup> McAllister argue that the states in developing countries, particularly in Africa, are still undergoing the phase of state formation due to the complex internal and external processes like regime failure, structural adjustment and so on.<sup>55</sup> As such, the first imperative of those may be a process of re-centralization towards a more effective centre with the tools that can facilitate civic participation and better regulate sub-national tiers of government. As those countries struggled for a national identity, the regional, ethnic, and clan based solidarity reigned over the national one creating a fragmentary social structure confronting the transition to democracy rendering decentralization initiatives cosmetic or toothless.

## 2.5 ‘Glocalization’

The process of globalization with its surveillance of world capital has far-reaching effect on the governance of developing countries, particularly in respect to the vital decisions that influence the lives of the people. Along with the systematic limitation of states, globalization represents a more dialectical relationship between the global and the local. Decentralization thus has to be seen in the context of an emerging need to reconcile two contrary tendencies, globalization on one hand, and local self-governance in the other.<sup>56</sup> The interplay between global and local, termed ‘glocalization’ by Schuurman,<sup>57</sup> is essentially a process of capitalist restructuring and homogenization of economic and cultural values. The convergence of global, national, and local forces have only resulted in only a ‘indebted globalized city’ as the local government face austerity measures in response to increasing overseas debts of developing countries.<sup>58</sup>

Similarly, Kothari expresses doubts in viewing the world as ‘a global village’ pondering what it means and how to make the global village truly decentralized. Moreover, the emergence of the local as the site of empowerment, knowledge generation and development is problematic. This romantic theorization of the local arena views the local in isolation from the broader national and transnational forces and underplays local social inequalities and power relations.<sup>59</sup> In addition, it remains to be seen whether economic globalization can make impact on the marginal local economies of the South. It is unrealistic to suppose that local economies can attract foreign capital and earn profit when the poorer nation states themselves have failed to do so. Even in case of investment being attracted, the benefits are generally appropriated by external forces at a high



socioeconomic and environmental cost for the 'host' societies. In this context, neither local nor global can offer anything substantive for social action and emancipation for Third World societies.

Sheth sees the international power structure and local elites working together to perpetuate political domination and cultural hegemony in South Asia. International power, mediated through the economic and social policies of elites in developing countries effectively curbs the initiatives of economic self-reliance, political autonomy and cultural vitality of the poor and non-state actors.<sup>60</sup> As a result, the independence of developing countries is increasingly under threat from what can be termed 'global governance.' The intervention of international donor agencies in the policy and political matters such as structure of government is only one of the ways of sustaining this kind of governance. The role of decentralization in the context of the wider global regulatory forces becomes uncertain and ambiguous. The issue of local governance is now part of the 'new managersim' that demonstrate how a common set of political and organizational principles is being circulated globally at the same as these are being contested and modified in line with contingent local conditions. While transformations in local governance is are much more complex than simply being the effect of global forces, 'the increasing presence of transnational corporations, the construction of newly integrated trade blocs and the globalization of economic and socio-cultural development and the persistence of international debt and austerity measures, all find expression in the city.'<sup>61</sup> Following Kothari's contrary view, decentralization, rather than being a

facilitator, has to be seen as a counter to the process of homogenization, globalization, modernization, liberalization and privatization.<sup>62</sup>

## **2.6 The 'Washington Consensus' on Decentralization**

While decentralization has been persistently advocated by the World Bank, there appears to be a lack of consistency and coherence in its policy framework. In its own language, 'decentralization is neither good nor bad for efficiency, equity and macro-economic stability; but rather its effects depend on institution-specific design.'<sup>63</sup> Recently, there has been acceptance by the World Bank about the centrality of politics in initiatives of decentralization- the dominant force behind decentralization is, in the final analysis, political and political pressure probably drives most decentralization efforts.<sup>64</sup> Decentralization in this perspective is seen as a strategy of institutional mechanism for providing political stability.

If there is one policy goal that has been pursued with much vigour by the Bank within the framework of decentralization initiatives in developing countries, it the call for privatization and deregulation, 'the most complete forms of decentralization' that '...shift(s) responsibility for functions from the public to the private sector.'<sup>65</sup> It is argued that decentralization enhances access by the poor through increased competition in delivery of services. World Bank goes on further to recommend the separation of equity and efficiency objectives in policy reform, thereby enabling decentralized institutions to charge user fees and focus on efficiency and utilize the revenues to improve quality and expand coverage for an increase in options for citizens.<sup>66</sup> Privatization as a form of decentralization, according to World Bank, can range in scope from leaving the provision

of goods and services entirely to the free operation of the market to 'public-private partnerships' in which government and the private sector cooperate to provide services or infrastructure.<sup>67</sup> Decentralization and private sector development have an inter-dependent relationship 'whereby the former enables the latter, and the latter strengthens the former.'<sup>68</sup>

A somewhat similar approach has been forwarded by Rondinelli et al. who offer an 'integrated political economy framework' for analyzing decentralization in developing countries.<sup>69</sup> This model largely draws from neo-classical economic theories public choice and policy analysis using public finance and administration approaches. Public choice theory argues that if large a number of local institutions, instead of only the central government, are involved in provision of public goods is more economically efficient under conditions of reasonably free choice. It is asserted that decentralization can create 'a system in which public goods and services are provided primarily through the revealed preferences of individuals by market mechanisms.'<sup>70</sup> Public choice theory, in this context, denotes provision of public service where 'user charges can be levied or for which a criteria of exclusion can be developed.'<sup>71</sup>

The integrated political economy approach has been criticized by Slater who points out that the expressions of needs of the by poor for national and local development resources contradicts the call for privatization.<sup>72</sup> While Rondinelli barely mentions privatization in the beginning of adjustment era,<sup>73</sup> it has been converted into the first option amongst the organizational arrangement of decentralization in the 'integrated' framework. The

approach, therefore, treats the local as a functional, economic space with policies designed to increase efficiency and service delivery with little regard for weaker sections of the societies.

Similarly, the World Bank sees decentralization on the same plane as privatization in terms of ideology and practice. The role of local government is to create an 'enabling environment' that would facilitate the private and other non-state actors to deliver services. However, if decentralization is to bring development for the people in developing countries, it is necessary to go beyond the parameters of given policies that are market-driven and emphasizing economic factors, particularly, with regard to poverty and equity. As such, in order to gain access to the standard livelihood of health, education, employment, the people have to be empowered with productive resources through the structures mandated by the state. In similar vein, Schuurman doubts whether the Third World poor can attain emancipation without referring to nation-state as a political, ideological and juridical framework.<sup>74</sup> Where the national political interest is focused on neo-liberalism and on export-led development disembedded from a welfarist state policy, decentralization is powerless to prevent spatial inequalities and immiseration.<sup>75</sup>

## **2.7 The 'Convergence' of Political Economy**

While political economy is an attempt to specify relationships between economic and political behavior, such relationships can be conceptualized in very different ways. Toye, for one, raises the question of direction of causation in theories of political economy as to

whether economic forces are interpreted as causing political outcomes or vice versa.<sup>76</sup> For Toye, 'economism and politicism are two extreme types of political economy, where a single line of causation is assumed and the causal direction of one is the exact reverse of the causal direction of the other.'<sup>77</sup>

Neo-classical political economy sketches a cynical view of politics in developing countries where the adopted policies and regulations governing trade and industrial investment reflects the countries' perceived vulnerability as political ex-colonies and economic late-developers.<sup>78</sup> Here, political and policy elites are actively engaged in maximizing their political power over state and society. Therefore, policy outcomes do not represent societal interests and mobilization of interests takes informal shape through political and elite level. Moreover, Third World politicians, vulnerable to loss of power and instability, exercise 'politics of survival' and therefore have low tolerance for policy reform.<sup>79</sup> The consolidation of political independence could be achieved through substantial control over economic forces, which in turn is used to subvert it.

Similarly, the new political economy (NPE) uses assumptions of neo-classical microeconomics- methodological individualism, rational utility maximization, to explain the under-development in developing countries. Political economy in this context, 'is intended to suggest the symbiosis of neo-classical economics, public choice theory and policy analysis.'<sup>80</sup> In the NPE approach, rulers of developing countries are motivated only for their individual self-interest and ensuing political and bureaucratic interference impedes smooth governance. Interest group pressures are seen to negatively affect public

interests identified with economic liberalization policies. The underlying principle of NPE is in the thus drawn out of economic analysis of the consequences of bureaucratic control and 'the failure of state to create the right system of incentives for an efficiently operating economy.'<sup>81</sup> In other words, it is insisted that incorrect economic policies creates a society with irrationalities like poor industrial growth, a corrupt administration, and a political structure dominated by interests.

The NPE represents a dramatic shift away from a pluralist, participatory ideal of politics towards a non-participatory, authoritarian, and technocratic ideal based on small and highly efficient government. The approach, in the name of economic efficiency, ignores the link between complex and polarized structure of developing societies that determine the process of people's access to resources. Here, the political focus is a particularly narrow one of political influences inhibiting economic liberalization. Rather than presenting an independent analysis of political and economic factors in developing countries, the view sees political constraints, social norms and religious principles restraining people from pursuing rational self-interest. Sidestepping the integral connections among polity, economy, and society, this 'new' political economy envisions and addresses institutional reform by conceiving the political setting as a sphere sufficiently separate and distinct to be excluded from primary analytic attention. As well, NPE does not take into account the external factors such as policy interference and aid conditionalities imposed by donors. While NPE provides tools for understanding economic problems, it does not offer any coherent means of achieving policy goals.

In contrast to neo-classical economic theory, Marxist oriented approaches permits a more holistic explanation of social structure and state in developing countries. In the Marxist political economy analysis, contradictions and struggles within the economy are systematically related to changes in the political and cultural spheres.<sup>82</sup> Decentralization policies are viewed as parochial, non-egalitarian and purposefully designed to bolster exploitation in the national and local structures. In orthodox Marxist theory, the local level is seen as contributing to the state's functions under capitalism of renewing the forces of relation of production and maintaining the legitimacy of the social order.<sup>83</sup> In the process, it creates new socioeconomic interests for those who in turn use the local political system as the key mediator. Therefore, the state at the local level is far from being a mere extension or replication of the state in its national manifestation.

These criticisms correctly point out the inadequacies of normative liberal perspective overlooking the contextual realities in local and national levels. However, such analysis, for the most part is reductionist in that the explanation of spatial or regional problematic is based on econo-centric determinism. In the Marxist economy-polity relationship, political phenomena are explained in terms of either the reproductive requirements of the capital or the interests of the economically dominant classes. The former explanation is teleological as political institutions and developments are explained in terms of the changing systemic needs of the capitalist mode of production.<sup>84</sup> On the other hand, the dominant class analysis neglects to give due consideration to 'the complex organizational and institutional realities' which lie between classes and state.<sup>85</sup> Aspects such as political parties, pressure groups, clientelistic networks which mediate between forms of class

struggle and state are therefore overlooked in the analysis. While the reductionism is somewhat addressed by giving 'relative autonomy' of the political sphere, it does not lead to the elaboration of specific tools for the political and politics and state continues to be defined in class/economic terms.<sup>86</sup> In the same way, Laclau and Mouffe question the centrality of class as the locus of political consciousness arguing that society cannot be so easily and statically explained.<sup>87</sup> The complex process through which the structure of state in developing countries undermines economic development is ignored in such deductions.

Still within the critical framework, Slater argues that econocentrism and universalism have shaped the conceptualization of space in the process of capitalist development in peripheral states. In development theory, Marxist and neo-Marxist form of econometrism is characterized by a concentration of issues such as the dynamics of capital accumulation, the articulation of mode of production and the international division of labour. According to Slater, themes such as militarism, the state and political regimes, popular mobilization and political ideology are often left out of account or implicitly subsumed under more familiar ones mentioned above.<sup>88</sup> Slater instead proposes formulation of a regional problematic where it is possible to incorporate notions of spatial impact of capitalist development or state intervention. Here, the state, civil society and economy are not presented as separate levels or instances but as interlocking spheres of social relations and political practices.<sup>89</sup>



The neo-Marxist political economy of development combined a cynical view of state in developing countries with critical role of foreign capital inhibiting development. Gradually, however, this view bifurcated with some neo-Marxists retaining the stress on 'capital logic' while others focusing on domestic exploitative class system.<sup>90</sup> The class reason of Marxian political economy is morphologically identical with NPE's concentration on the problematic role of interest groups. Therefore, the NPE is 'new' specifically in succession to the 'old' political economy of neo-Marxism.<sup>91</sup>

Partly in view of the above, there has been acceptance of the indivisibility of formal institutions of state, politics and market in both neo-liberal and Marxist oriented thinking; and the need to go beyond only market or state had been recognized. In this sense, there has a high level of agreement between institutions of 'new' Right and 'new' Left.<sup>92</sup> With greater importance being placed on institutional reform and social development within a global market system, neo-liberal development strategy sets out to support democratic stability and good governance in developing countries. Civil society is seen to exert organized pressure to unresponsive and autocratic states. For post-Marxists, empowerment is a matter of collective mobilization of marginalized groups against state and market. The focus shifts to local political actors and a celebration of their difference and diversity rather than their common relationship to the means of production.<sup>93</sup> In both these development paradigms, participation and empowerment of the target groups as a challenge to centralization of top-down state and through local governance.

## **2.8 State Power and Civil Society**

The perceptions on decentralization, as Smith observes, will 'be coloured by whatever theory is held, implicitly or explicitly, of the state.'<sup>94</sup> In his seminal work, Slater point out that while decentralization can be articulated into a monetarist discourse, but alternatively it can be linked into a discourse that combines ideas of state, collective empowerment, democracy and socialism.<sup>95</sup> In the era of globalization characterized by worldwide homogenization of societies, the role of state has come under increasing critical scrutiny. While this shift adds more intrigue to the study of governance, the ideology and reality of peripheral state remains fundamental.

Historically the emergence of modern state began with theories of sovereignty. Subsequently, the necessity to protect form state absolutism was gradually recognized and the parameter of state involvement has increased to incorporate functions such as welfare services and income (re)distribution. The process of state formation however still manifested in the 'competition for definition and control over territorial boundaries of the state centred on claims to represent national will.'<sup>96</sup> Most developing countries assumed their structure in the process of decolonization; centralization of power reflected the 'external logic' of the colonial experience rather than an internal process of societal and economic transformation.<sup>97</sup> Therefore, in the decolonization process, the legacy of inherited structures of state provided the most viable mode of organization. The consolidation of control through those structures started a period of negative nation-building.<sup>98</sup> As well, colonized people were regarded as not having the intellectual and cultural capacity for local self-governance.<sup>99</sup> This created the phenomena of 'indirect

rule' where colonial officials, with compliance of local power holders provided the minimal conditions of law and order and revenue generation.

Related, the looser the social structure prior to the expansion of state power, the greater the likelihood of excessive use of violence and force as the state tries to secure its grip. In this context, the state is not simply a mechanism through which to mould societies and economies but '....a structure of management and control that was at the same time awkwardly and sometimes precariously poised between the people whom it sought to manage and the international setting in which it had to exist.'<sup>100</sup>

The notion of class is intricately connected to the analysis of state. Poulantzas emphasizes the connection of social space and mode of production- 'towns, frontiers, territory don't at all possess a single reality and meaning in capitalist and pre-capitalist mode of productions.'<sup>101</sup> Furthermore, Poulantzas integrates the role of state, suggesting that capitalist state tends to monopolize the procedures of the organization of space and plays a key role in the national unity and development of homogenization. The notion of political domination is not dissimilar to Gramsci's characterization of state as a 'whole complex of practical and theoretical activities with which the ruling class not only justifies and maintains its rule but also manages to win active consent of the governed.'<sup>102</sup> The supremacy of a social class is manifested in the domination and hegemony, i.e.- intellectual and moral leadership, where a particular group dominates opposing groups through state power but 'leads' allied groups as well.

In this perspective, political domination through state resembles the formation of colonial rule where extraction of resources were accompanied by a concomitant move to provide a stable control mechanism and political order in realization of the first objective. As such, measures like revenue generation, tenancy legislation and other forms institutionalized domination went hand in hand with a complex social and political process of collaboration and compromise that did not necessarily entail force. In the spatial analysis of colonial state power, field administration in the territories was allowed a certain degree of flexibility and discretion in its relation with indigenous social forces, a process wherein 'centralization of control was accompanied by decentralization of discretion.'<sup>103</sup>

The concept of power has to feature in the analysis of the interface between state and society. In Foucault's analysis of 'governmentalization,' state power is both an individualizing and a totalizing form of power. In addition to the maintenance of sovereignty through the preservation of a territory and the submission of people to the authority of law, another form of power is exercised through government where the concern is the relationship between people and things, human relationships, ways of living, etc.<sup>104</sup>

On another plane, it is held that micro-spaces and small communities are powerless and therefore needs to be integrated into the bigger and powerful entities. Rahnema questions this assumption and suggest instead that people holding power at the top consider themselves powerful only because they are in a position to take advantage of the 'means of power' such as the state apparatuses and other devices, modalities, and techniques of

intervention.<sup>105</sup> On the other hand, the state with the supremacy of its apparatuses is unable to preempt ‘...the whole field of actual power relations’ and can only operate on the basis of the other, already existing power relations.<sup>106</sup>

Mouzelis’ conceptualization of mode of domination is also pertinent in this regard. According to Mouzelis, political inclusion of the lower classes through incorporative-clientelistic mode brings people into the centre via their insertion into the personalistic and highly vertical patron-client networks.<sup>107</sup> In this analysis, a mode of political domination can designate the major political technologies of domination like types of means of administration, party and political apparatus, etc. Central to Mouzelis’ argument is the view that in the modernization process of late developing countries, the state ‘brings in’ the masses to the centre in a heteronomous and authoritarian manner. This signifies a weak civil society, as there is no extensive downward spread of political and civic rights. The basic effect of incorporative-clientelistic mode is the maintenance of status quo, as class differences are systemically displaced and a weak civil society is unable to check centre’s dominating features. As Turner and Hulme point out, in such analyses, decentralization policy is usually viewed as a tool that is cynically deployed by the holders of political power to maintain their control and achieve their narrow objectives.

In response to the incapacity and arbitrariness of state, there has been a significant rise in civil society organizations that attempt to provide a counter to state though engaging in activities to create socio-political consciousness, building social network, etc. Civil

society is viewed as the associational arena between state and family, usually not including the organizations and institutions of state or the market. The upsurge of civil society in the recent donor agenda sees the role of civil society in promotion of better governance and also instrumental in poverty alleviation schemes.

The concept of civil society re-emerged primarily in discussions on democracy in transition and developing nations. Its value is seen in its role in reinforcing societal pluralism, securing human rights leading to furthering of liberal democracy.<sup>108</sup> However, the definition of civil society using a western liberal framework understates both configurations of power within civil society and also the enmeshment of civil society with state.<sup>109</sup> In other words, civil society institutions are vulnerable to penetration by dominant states in Third World countries and therefore being transformed into agencies of the regimes. The perception of international donor may create a new elite class in accordance with their values rather than viewing the historical and social context of civil society formation.

It was Gramsci who was able to extricate the association and cultural dimensions of civil society from both economy and state. Gramsci developed the idea of civil society as a sphere of conflict in the struggle for ideological hegemony. Here, distinction is made between spheres of political society- dominant groups assert their dominance directly through state or government and the civil society- wherein the same dominant groups assert their hegemony indirectly throughout the society.<sup>110</sup> The form the civil society takes in this framework is an outcome of class struggle and the organizations represented

functions to stabilize the process of domination. The Gramscian analysis of civil society offers a better explanation as it implicates civil society in the maintenance of social structure that is reproduced in the form of unequal distribution of wealth and poverty through the state.

In recent times there has been a phenomenal rise in the number of NGOs who are seen to have 'comparative advantage' and provide an alternative to the top-down centralized development models of state. NGOs tend to enunciate a more participatory and grassroots mode of operation and are regarded as being more effective in targeting the poor. Donors perceive NGOs as a major channel for service provision and implementation of projects. The growth of NGOs around the developing world has important implications for the development process due to their part in the wider political economy. However, like the civil society agenda, the role of NGOs demands deeper scrutiny.

Firstly, the NGO's dependence on external sources of funding creates some contradictions. While many southern NGOs were established or originated with the ideological motivation of removing the structural causes of poverty, they are increasingly being forced to transform themselves towards agenda set by others limiting their scope for social action. As a result, NGOs have become vehicle for short-term project implementers rather than potential engine of societal transformation. On the other hand, international financial organizations are discovering in NGOs 'a most effective instrument for promoting their interest in penetrating Third World economies and

particularly the rural interiors which neither private industries nor government bureaucracies were capable of doing.’<sup>111</sup>

Another likely incongruity arises from the increasing political role of NGOs which are viewed as vehicles for democratization and are considered as an integral part of civil society. As such, NGOs can play a complementary role to the economic dimension, i.e., private sector initiatives based on neo-liberal agenda. The rise of the popularity of NGOs among donors therefore has come hand in hand with neo-liberal economics and governance agendas. NGOs in this context, have been able to achieve desirable economic and political goals as ‘their relationship with the people is seen as giving them greater public legitimacy than government while their managerial features are seen as permitting private sector levels of cost control and efficiency’.<sup>112</sup> The close relationship between NGOs and northern governments, donors, as well as developing countries in terms of interests, values, methods, priorities, have resulted in them being ‘socialized into the development industry.’<sup>113</sup>

Similarly, Wood connects the good governance discourse with the ‘franchising of state responsibilities to NGOs.’<sup>114</sup> Major services like primary education, health, rural banking are being taken over NGOs from the state with ideological support being provided by donors. In such a situation, the full potential of decentralized service delivery through local government system is at risk. This also questions the necessity of decentralization in view of the presence and in many instances successes of NGOs in developing countries. Wood draws attention to the fundamental issue of loss of political rights of citizens in



view of transferring basic needs of people to non-state actors as this raises the key issue of accountability- NGOs are legally liable to the state for service delivery rather than to the beneficiaries. The state, for its part, sees the emergence of NGOs with donor support as encroaching in their legitimacy and thereby breeding discrete conflicts of interests within the society.

## **2.9 The Centrality of Politics**

While ideologically decentralization has proven to be an indispensable concept, the development burden placed on it has been too great to bear.<sup>115</sup> Experiences of decentralization in less developed countries have almost everywhere fallen far short of expectations and declared objectives of policy makers.<sup>116</sup> The debates surrounding decentralization, for the most part, originate from the rationale of it. Conyers asserts that concepts like local democracy and popular participation that are readily attached to decentralization are not only complex but also 'highly emotive.'<sup>117</sup> For almost every principle regarding decentralization, one can find an equally plausible acceptable contradictory principle.<sup>118</sup> The assumptions by international donors and government policy makers as to the effectiveness of decentralizations in solving institutional and developmental problems ignore the reality that decentralization is not a model *per se*. Rather, it represents a '...catch-all within which there are many variations, affecting the amount of power and resources which are devolved, and to whom, which will variously affect its success and failures.'<sup>119</sup> In Particular, the interface between state and society that decentralization entails, produces a whole range of complex socio-economic and political implications. The *raison d'être* of decentralization as a means to bringing greater

economic and social development or as an end in itself has been either put forward in normative terms or suffered from a high level of abstraction. When decentralization is seen as a means, 'important societal consequences are overlooked.'<sup>120</sup> On the other hand, restricting of decentralization to a technical discourse is to bypass its very essence as an engine of social transformation at the local level.

Decentralization programmes in most developing countries have been plagued by the reluctance to devolve significant power to the local level. Bureaucratic and political interference has been a typical phenomenon as transfer of power is considered zero-sum process where local government gains at the expense of the 'centre' or those holding the power. The power devolved to the local government reflects the interests of those who control the state level and the extent to which they are willing to cede control over the important inputs of the government.

The politics of central-local relationship determine what interests gain or lose from a particular set of institutional opportunities, policy initiatives and resource allocation. While the modern states in developing countries are expanding their bureaucratic organization of social and political infrastructures, this expansion of social activities of state has occurred in forms which are decentralized but always isolated in terms of participation and direct control by the people.<sup>121</sup> As such, the emergence of decentralization as a process of self-governance has not come about in most countries. In fact, there has been a clear tendency of states to centralize even in context of decentralization initiatives.

Samoff, formulating explanations for failure of decentralization programmes questions whether decentralization has in fact occurred. In order for decentralization to be effective, transfer of power has to be matched by simultaneous transfer of responsibility and resources, a chronic problem in developing states. On the other hand, there is also widespread albeit contentious view that greater financial dependency results in the loss of local independence and action. In any case, resource constraints both at the public and regional level have been a persistent problem in developing countries. In this context, construction of decentralized structures by an economically and politically weak central state assumes that 'there is something to decentralize.' It is also unrealistic to expect that local government would be able to generate sufficient resources by themselves when the national governments have failed to do so. As well, decentralization may potentially engender local elite control and jeopardize public interests. Smith, in this context writes that devolution of power may only help to augment the dominance of those who are already powerful because of their wealth and status.<sup>122</sup> The muscle power of dominant groups may lead to a 'mafia phenomenon' where weaker section of the society is kept away from political and economic structures. Griffin, echoing similar views, states that '...in many countries, power at the local level is more concentrated, more elitist, and applied more ruthlessly against the poor than at the centre.'<sup>123</sup>

Decentralization essentially means economic and political distribution of power and therefore cannot be apolitical.<sup>124</sup> When the resources are transferred, a struggle for power usually follows. As Conyers states, 'any decentralization of responsibility for planning and/or implementation alters the balance of power in the sense that it changes the extent

to which particular individuals, groups, organizations influence both what is planned and what actually happens- and therefore the extent to which they benefit from development'.<sup>125</sup>

The crux of the matter is the willingness on the part of national leadership to share power. Evidently, regime type is not as much a factor as the nature of state and associated politics in the development process. Autonomy of local government may not even be desirable in certain contexts as greater autonomy may lead to greater likelihood of elite capture. According to Crook and Sverrisson, pro-poor outcomes are more likely in situations where continuing central intervention and external alliances for supporting the mobilization of the disadvantaged are linked to the conflict between central and local forces.<sup>126</sup>

The role of political parties in decentralization is an important, yet under-researched issue. Politics in both federal and unitary states tends to be dominated by national political organizations with local branches seeking electoral office in national and sub-national government. Particularly in the context of developing countries, political parties tend to be caucuses of influential persons operating at the local level.<sup>127</sup> As such, rather than articulating the demands of people, local government often serve the purposes of national political entities. On the other hand, it is argued that the 'politicization' of decentralized institutions is not undesirable in that the presence of strong opposition will deter arbitrariness and work as a system of check and balance.

## **2.10 Participatory Development**

While there are many reasons for decentralization, the most persuasive rationale lies in its capacity to create optimal conditions for citizen participation. Conversely, it is argued that the attainment of participatory democracy and development becomes difficult without decentralization of power and resources. The central idea of participation in decentralization initiatives is to give citizens a meaningful role in local government decisions that affect them. Although participation has its roots in the liberal democratic theory, the concept resurfaced in recognition of the structural crisis of development thinking following the pervasive poverty situation throughout the developing world in 1970s. The concept of participation has been adopted by a variety of development paradigms seeking to end the immiseration prevailing in the Third World.

For the proponents Another Development, with community and grassroots social organizations as the agents of progress, the process of development is need oriented, endogenous, self-reliant, ecologically sound, and based on and resulting in structural transformation.<sup>128</sup> In this framework, it is argued that participation and ensuing empowerment could lead to a process of social transformation that is centred on people rather than on, as Chamber puts it, 'things.' Therefore, in order to prevent the destruction of societies and cultures in developing countries, there is a need to 'delink' from the conventional paradigms of development and the type of elitist politics associated with it.

As well, participation of people in the decision-making process is central to the Basic Needs oriented development model. Basic Needs approach implies that the 'thrust of

development efforts should be on meeting the consumption requirements of the population, particularly the disadvantaged and deprived socioeconomic groups with the aim of reducing existing levels of poverty and inequality'.<sup>129</sup> Here, the relevance of participation is in the articulation of and meeting the needs of those groups in society to bring about human well-being. Similarly, there was an increasing realization in the donor community of the failure of development projects in which the targeted beneficiaries were left out of formulation and implementation process.

The World Bank takes the 'stakeholder' approach defining participation as 'a process through which stakeholders influence and share control over development initiatives, decisions, and resources that affect them.'<sup>130</sup> For the World Bank, the two factors in relation to participation that are needed to be taken into account in designing decentralization programmes is the 'fair, regular local elections and high levels of social capital,<sup>131</sup> which would enable citizens to both signal their preferences efficiently and enforce leaders' compliance with their wishes.'<sup>132</sup> Participation in this context is seen as a pre-condition for successful decentralization initiatives through popular pressure on local government officials and associated build-up of social capital as a result of the participatory mechanisms. On the other hand, where participation is restricted at the local level, decentralization can be designed to strengthen the process of improving the flow of information to create awareness for necessity of avenues of participation and formulating demand-driven projects.<sup>133</sup>

With the convergence of many perspectives and practices, participation became a potent tool in development and generally evokes positive views. The concepts of participation and participatory development, however, have gone through different interpretations and applications over the years and are full of complexities and ambiguities. Broadly, two aspects of participation require deeper analysis; one deals with participation as delivery of services of basic needs and consumption as the primary goal, while the other as a process of empowerment and conscientization for social transformation. This dichotomy can also be roughly interpreted and analyzed as the distinction between participation as means for achieving developmental goals and participation as an end goal in itself.

The case of participation as put forward by Another Development process has come under criticism. Primarily, while the framework holds out objectives of participative, self-managed and decentralized democratic polity, it has failed to how identify the realistic means for achieving those goals. According to Sheth, there has been a lack of proper articulation of political and democratic processes in alternative development. By focusing on the para-political event and processes, the approach shuts out considerations of the forces intrinsic to various political systems which may endanger crisis points in a particular process of alternative development.<sup>134</sup> In addition, concepts of alternative development models suffer from sociological determinism in the assumption of universality of alternative value system ignoring historical, cultural differences. Devoid of empirical and political thrust and action, alternative form of development is easily amenable to manipulation of by elite, and run the risk of being subsumed or co-opted in the mainstream development thinking and practice.

For grassroots radicals, participation started with class and gender struggles dealing directly with the unsophisticated consciousness of the poor, marginalized and alienated. In this perspective, community is the basic unit of social, political, economic and cultural interaction which provides the main centre of reference for politics of resistance and opposition to the dominant models of capitalist development.

However, the post-modernist emphasis on individuals as the human subject, relations of difference and the politics of social identity allows only a limited scope of analyzing social entities larger than or beyond community.<sup>135</sup> According to Schuurman, there is nothing progressive about cultural identity or community feeling in the broader spirit of separatist discourse as ‘...fragmented identities work in the interest of capitalism as long as surplus value could be subtracted.’<sup>136</sup> The opening of national economies and liberalization of trade and capital have in fact undermined the development efforts of community-based organizations. As O’Malley states, ‘(O)n the receiving end of decentralization, and thus left to their own devices and with few resources, communities all over the world have been increasingly forced to adjust their local economies to the forces and requirements of a world economy in terms of whose dynamic structure they are non-entities.’<sup>137</sup> In this context, the view that ‘closed’ societies with ‘almost impermeable membranes of protection against external influences’ that help them to develop an immune defense system allowing the preservation and reproduction of modes of life is becoming increasingly problematic.<sup>138</sup>



Veltmeyer draws attention to inherent conflict between communities and decentralized political-administrative units in his analyses of decentralization and participation in the context of Latin America. In the decentralization process, community and government are brought together under the conditions that serve the purpose of government and that tends to undermine and weaken organizational capacity of traditional community.<sup>139</sup> The forced integration of communities and ethnic groups into the larger political and administrative units has made them weaker or destroyed their cultural and economic structures. Furthermore, focus on the local as a site for development circumscribes consciousness and action. By limiting the scale of social and political issues to local levels, decentralization policies inhibit any structural changes necessary for development.<sup>140</sup>

On the other hand, the community itself is prone to dissolution due to its own dynamics of power and class structures. In contrast to the romantic post-modernist view, most communities suffer from the same evils and contradictions that affect other societies. Communities are far from being idyllic places where oppression, violence and division are frequent within and between them.<sup>141</sup> Nelson and Wright observe that community is a concept often used by state and other organizations, rather than people themselves, and it carries connotations of consensus and needs determined within the parameters set by outsiders.<sup>142</sup> As well, excessive emphasis on the local and the community ignores the ways in which the state uses the local arena politically through material and discursive practices.<sup>143</sup>

Participation at the local level may be an important concession to be offered to the lower classes if they are to be incorporated into the system of government an economy which permits very little individual autonomy and personal power.<sup>144</sup> By the same token, local democracy can offer the appearance of self-governance and participation without actually offering any substance. As such, participation has been used as a process of political and social co-optation restricting the terms on which people participate but at the same time is justified as democratization. Kothari taking a more skeptical view on participation remarks that, 'the more the economics and politics of development are kept out of the reach of masses, the more the masses are asked to participate in them.'<sup>145</sup> On another plane, many governments have come to realize that participation no longer poses a threat as long as people are integrated into the economization process or service and consumption system. Participation, in this context, 'has come to be disembedded from the socio-cultural roots and is now perceived one of many resources to keep the economy alive.'<sup>146</sup> There are hardly any development projects now that do not have a participatory component and it is increasing evident that participation is a necessary and dependable tool for the governments and NGOs to attract financial assistance from donors.

Similarly, in participation as a means, 'development agenda is predetermined, objectives are defined, and solutions envisaged' without the local people being involved in the process.<sup>147</sup> This represents 'the manipulative form of participation where the participants do not feel they are being forced into doing something but are actually led to take decisions which are inspired and directed by centres outside their control.'<sup>148</sup> In this sense, participation is a form of instruction and intervention from outside against which

the targeted people are powerless to stop. As such, when participation enters the realms of projects, then the very essence of the concept is lost, as participation is made technical and stripped of radical implications. This is not dissimilar to post-development view of 'development' as a process which ignores the principle of cultural diversity and the ability of people to devise their own development.

Rahnema highlights the problems of perception associated with the view of micro-spaces or ethnic communities as 'a conglomerate of objects to be scientifically analyzed, or utilized' and their reification in terms of political and economic usefulness.<sup>149</sup> Rahnema distinguishes between micro-spaces like districts, divisions, etc., which are artificially created and are part of the macro-space as opposed to being culturally and endogenously constituted. For Esteva, promoters of participation perceive its necessary when mobilization within people is considered inadequate.<sup>150</sup> As such 'society becomes a collection of numbers and issues of an unmanageable mechanism that goes wild with time and only follows its own indifferent and blind logic.'<sup>151</sup> Rahnema points out that knowledge systems suffer from questionable values and biases and inhibitive prejudices.<sup>152</sup>

The concept of power is central to exploration of theory and practice of participatory development; as Nelson and Wright conclude 'participation involves shifts in power'.<sup>153</sup> Participation as an empowering process implies loss of central control and proliferation of local diversity and consequently threatens the loss of the powerful.<sup>154</sup> Structures affect or influence the behavior of actors in society and 'changes in structure are channeled

through the life-worlds of individuals or affected groups and eventually produce new consequences'.<sup>155</sup> Empowerment assumes that a particular social group has no power or do not have then right kind of power. As well, participation and ensuing empowerment of people at the grassroots level cannot be viewed in isolation from broader economic and political structures. Moreover, the local social and power relations tend to undermine participatory processes.

While the very act of launching democratic local governance ensures a certain degree of participation, the relationship between decentralization and participation is not linear as it appears.<sup>156</sup> Bryld demonstrates how technocratic regulations are not sufficient to ensure genuine participation for all in democratic decision-making in analyzing India's decentralization programme –the Panchayet Raj.<sup>157</sup> The study documents how positive discrimination policy did not bring about meaningful change because participation of those groups has been influenced by factors cutting across class, caste, gender, religion, ethnicity and other causes. As well, lack of parallel emphasis on education, training of those reserved members of decentralized bodies furthered the social exclusion process.<sup>158</sup> Since decentralization created significant new openings for village elites to influence government institutions, its overall impact was to intensify already extreme inequalities. Therefore, one basic effect was that decentralization simply empowered local elites and even worse perpetuated the existing poverty and inequity.

It is often argued that local governance enhances the democratization process through the direct elections for members of local council bodies. However, this normative liberal

perspective of decentralization takes a narrowly institutional and procedural view of democracy. According to Smith, an ability to influence local level planning and gain access to decentralized services depend on many factors other than the right to vote.<sup>159</sup> The existing oligarchic structure of power at rural areas may undermine and even worsen democratic behavior rather than promoting it. Political alliance and support depend on economic status and access to land and resulting patron-client relationship undermine freedom of lower classes to act independently. In the context of Indian sub-continent, landowners influence the voting patterns of people who are dependent on them for livelihood. The distribution of power within the local institutions reflects the distribution of wealth within societies. As a result, the less-privileged members of the society are unable to form electoral majorities based on their common class interests. In addition, poverty has a debilitating affect on the ability of the poor to participate and engage in formal political process.

Democracy has an in-built bias that discriminates against pro-poor and redistributive policies that decentralization entails, because the policies require that gains for the poor come at the expense of the elites. Blair, summarizing a study of decentralization in six countries apprehended that the democratic local governance causal formula<sup>160</sup> of participation leading to poverty reduction is problematic. Even though marginalized groups were able to achieve higher representation as a result of higher levels of participation, it has not impacted significantly in the alleviation of poverty. The solution for Blair is to take a universal approach that would bypass different power structures situated in local as national arenas and provide benefits for all.

## **2.11 Conclusion**

There is little doubt that decentralization, if it takes the form of devolution of power to local level, is a desirable strategy of development administration. Particularly, decentralization enhances the opportunities for participation of people in the decision-making process. The stress on the governance and local level participation and service provision has brought about a certain measure of consensus among diverse approaches of development. The conceptual connection between decentralization and development, however, has not always materialized into uniform policy outcomes in developing countries. Decentralization incorporates notions of equity, democracy and redistribution of power, and as such, the process has a profound impact on the socioeconomic fabric of peripheral states. It is partly in view of the above that Slater termed decentralization as a myth, mask, and mirage.<sup>161</sup>

The study takes a political economy approach in analyzing decentralization in Bangladesh. In this context, neither the new political economy with its cynical view of Third World politics, nor Marxist political economy with its economic determinism, can adequately explain the political and economic changes in developing countries. Rather the study situates itself somewhere in between the two divergent political economies. Here non-economic factors like nature and territorial dimension of state, integration of local-national politics, militarism and bureaucratic power, are given greater attention. The study also underscores the relationship between state and civil society particularly how the society becomes embedded with the state.

On the basis of the discussions in the Chapter, the study contends that the issues concerning decentralization is more political than economic and as such the political economy approach has to be based on a broader understanding politics at the all levels in addition to the inherent relationship between the polity and economy. Moreover, the social biases embodied in the most institutional structures of state are important element of the decentralization and the political an administrative aspects not distinct of each other.<sup>162</sup>

In synthesizing the various strands of theoretical debates surrounding the concept and policy of decentralization, it is also clear that the local arena is a site of conflict where struggles for power are continuous occurrences. The structural class and conflict perspective of the local or the community provides a more reasonable approach to the analysis of development process.<sup>163</sup> Moreover, the local level cannot be viewed in isolation from broader political and economic structures as emphasis on the local underplays the importance of state and associated power structures.<sup>164</sup> In particular, the restricted analyses of local arena ignore the way in which state uses local arena politically. As well, the concepts of participation and empowerment have to be seen in terms of both the politics of development intervention and the socioeconomic structure prevailing in peripheral societies.

## ENDNOTES:

- <sup>1</sup> Diana Conyers, "Decentralization: The Latest Fashion in Development Administration," Public Administration and Development 3 (1983): 97-107.
- <sup>2</sup> See Patricia L. McCarney, "Reviving Local Government: The Neglected Tier in Development," The Changing Nature of Local Government in Developing Countries, ed. Patricia L. McCarney (Toronto: University of Toronto Press, 1996) 5-6.
- <sup>3</sup> Dele Olowu, Decentralization Policies and Practices under Structural Adjustment and Democratization in Africa (Geneva: UNRISD, 2001) 15.
- <sup>4</sup> An appropriate example in this context is Cuba.
- <sup>5</sup> For a comprehensive analysis of the causes of centralization, see David Slater, "Territorial Power and the Peripheral State: The Issue of Decentralization," Development and Change 20.3 (1989): 501-531.
- <sup>6</sup> Mark Turner, and David Hulme, Governance, Administration and Development: Making the State Work (West Hartford: Kumarian Press, 1997) 152.
- <sup>7</sup> See B.C. Smith, Decentralization: The Territorial Dimension of the State (London: George Allen & Unwin, 1985) 1.
- <sup>8</sup> Diana Conyers, Decentralization for Development: A Select Annotated Bibliography (London: Commonwealth Secretariat, 1984) 4.
- <sup>9</sup> See Turner and Hulme.
- <sup>10</sup> James Manor, "Democratic Decentralization in Africa and Asia," IDS Bulletin 26.2 (1995): 81.
- <sup>11</sup> Among others, see H. Maddick Democracy, Decentralization and Development (Bombay: Asia Publishing House, 1963); N.T. Uphoff "Local Institutions and Decentralisation for Development," Decentralisation, Local Government Institutions and Resource Mobilization, ed. H.A. Hye (Comilla: Bangladesh Academy for Rural Development, 1985).
- <sup>12</sup> See Manor 81-82.
- <sup>13</sup> See Turner and Hulme 159.
- <sup>14</sup> See Erik Bryld, "The Technocratic Discourse: Technical Means to Political Problems," Development in Practice 10.5 (2000): 702.
- <sup>15</sup> See Manor 81.
- <sup>16</sup> See Joel Samoff, "Decentralization: The Politics of Decentralization," Development and Change 21.3 (1991): 519.
- <sup>17</sup> Smith 83.
- <sup>18</sup> See among others, B.C. Smith, Decentralization: The Territorial Dimension of the State, and David Slater, "Territorial Power and the Peripheral State."
- <sup>19</sup> See David Slater, "Territorial Power and Peripheral State." 512-513.
- <sup>20</sup> See Kirsten Westergaard, and Muhammad Mustafa Alam, "Local Government in Bangladesh: Past Experiences and Yet Another Try," World Development 23.4 (1995): 680.
- <sup>21</sup> For example, the Assamese and Tamil separatist movements in India and Sri-Lanka respectively.
- <sup>22</sup> See Turner and Hulme 156-157.
- <sup>23</sup> Vandana Desai and Rob Imrie, "The New Managerialism in Local Governance: North-South Dimension," Third World Quarterly 19.4 (1998): 635-650.
- <sup>24</sup> See Olowu 17.
- <sup>25</sup> Olowu. 17.
- <sup>26</sup> See Desai and Imrie.
- <sup>27</sup> See Anne Marie Goetz, and David O'Brien, "Governing for the Common Wealth? The World Bank's Approach to Poverty and Governance," IDS Bulletin 26.2 (1995): 18-19.
- <sup>28</sup> World Bank, Rethinking Decentralization in Developing Countries (Washington: World Bank, 1998) 8.
- <sup>29</sup> See World Bank, Rethinking Decentralization in Developing Countries 26-29.
- <sup>30</sup> Giles Mohan, and Kristan Stokke, "Participatory Development and Empowerment: The Dangers of Localism," Third World Quarterly 21.2 (2000): 247-268.
- <sup>31</sup> Ray Kiely, "Neo-liberalism Revised? A Critical Account of World Bank Concept of Good Governance and Market Friendly Intervention," Capital and Class 64 (1998): 78.
- <sup>32</sup> See Mohan and Stokke.
- <sup>33</sup> Mohan and Stokke.



- <sup>34</sup> Governance is defined by the World Bank as 'the manner in which power is exercised in the management of the economic and social resources for development,' World Bank, Governance: The World Bank Experience, (Washington DC: The World Bank, 1993) 2; cited in Patricia L. McCarney 16.
- <sup>35</sup> Bryld, "The Technocratic Discourse," 701.
- <sup>36</sup> Erik Bryld, "Increasing Participation in Democratic Institutions through Decentralization: Empowering Women and Scheduled Castes and Tribes through Panchayet Raj in Rural India," Democratization 8.3 (2001): 151.
- <sup>37</sup> See Adrian Leftwich, "Governance, Democracy and Development in the Third World," Third World Quarterly 14.3 (1993): 605-625.
- <sup>38</sup> For an analysis, see among others, Patricia L. McCarney.
- <sup>39</sup> Leftwich, Governance, Democracy and Development.
- <sup>40</sup> Leftwich, Governance, Democracy and Development.
- <sup>41</sup> See Leftwich, Governance, Democracy and Development.
- <sup>42</sup> See Craig Johnson, "Local Democracy, Democratic Decentralization and Rural Development: Theories, Challenges and Options for Policy," Development Policy Review 19.4 (2001): 521-523.
- <sup>43</sup> Leftwich, Governance, Democracy and Development.
- <sup>44</sup> Irving Kristol, "Decentralization for What?" Public Interest (Spring 1968): 17-25 cited in David K. Hart, "Theories of Government Related to Decentralization and Citizen Participation," Public Administration Review 32 (1972): 603-621.
- <sup>45</sup> Rajni Kothari, "Issues in Decentralized Governance," Decentralized Governance in Asian Countries, eds. David D. Arnold, and Abdul Aziz (New Delhi: Sage Publications, 1996) 37.
- <sup>46</sup> Johnson 523; Newly Industrialized Countries (NICs) are good examples.
- <sup>47</sup> For example- the Philippines, Nepal, Bangladesh, Bolivia, etc.
- <sup>48</sup> See Henry Veltmeyer, "Decentralization and Local Development," Transcending Neoliberalism: Community-Based Development in Latin America, eds. Henry Veltmeyer and Anthony O'Malley (Bloomfield: Kumarian Press, 2001) 60.
- <sup>49</sup> Abdul Aziz and David D. Arnold, "Introduction," Decentralized Governance in Asian Countries, eds. Abdul Aziz and David D. Arnold (New Delhi: Sage Publications, 1996) 18.
- <sup>50</sup> See Olowu.
- <sup>51</sup> Cited in David Slater, "Territorial Power and the Peripheral State," 511.
- <sup>52</sup> Hart 607.
- <sup>53</sup> Westergaard and Alam 690.
- <sup>54</sup> See Olowu 11.
- <sup>55</sup> See Georgina McAllister, "Decentralization through the Lens of Failed State," Civil Wars 5.2 (2002): 122-139.
- <sup>56</sup> For an excellent analysis, see Kothari, Issues in Decentralized Governance.
- <sup>57</sup> Frans J. Schuurman, "The Decentralization Discourse: Post Fordist or Neo-liberal Cul-se-Sac?" European Journal of Development Research 9.1 (1997): 153.
- <sup>58</sup> See McCarney.
- <sup>59</sup> See Giles and Stokke.
- <sup>60</sup> See D.L. Sheth, "Catalyzing Alternative Development: Values, the Knowledge System, Power," The Challenge in South Asia: Development, Democracy and Regional Cooperation, eds. Ponna Wignaraja, and Akmal Hossain (New Delhi: Sage Publications, 1989) 62.
- <sup>61</sup> Patricia L. McCarney 7.
- <sup>62</sup> See Kothari, Issues in Decentralized Governance 40.
- <sup>63</sup> World Bank, Rethinking Decentralization, Abstract.
- <sup>64</sup> World Bank, Beyond the Centre: Decentralizing the State (Washington D.C.: World Bank, 1999) 1.
- <sup>65</sup> See Decentralization NET, the World Bank, 28 December 2003, <<http://www1.worldbank.org/publicsector/decentralization/market.htm>>
- <sup>66</sup> See World Bank, Rethinking Decentralization 8.
- <sup>67</sup> See Decentralization NET, The World Bank, 30 December 2003, <<http://www1.worldbank.org/publicsector/decentralization/market.htm>>
- <sup>68</sup> World Bank, Rethinking Decentralization 26.
- <sup>69</sup> D.A. Rondinelli et al. "Analyzing Decentralization Policies in Developing Countries: A Political Economy Framework," Development and Change 20.1 (1989): 57-87.

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- <sup>70</sup> Rondinelli et al. 59.
- <sup>71</sup> Rondinelli et al. 59.
- <sup>72</sup> See David Slater, "Territorial Power and the Peripheral State: The Issue of Decentralization."
- <sup>73</sup> See D.A. Rondinelli, "Government Decentralization in Comparative Perspective: Theory and Practice in Developing Countries," International Review of Administrative Sciences 47.2 (1981): 133-145.
- <sup>74</sup> See Schuurman, The Decentralization Discourse 152-152.
- <sup>75</sup> See Schuurman 163.
- <sup>76</sup> They have often been termed 'economistic' and 'politicist' versions of political economy.
- <sup>77</sup> See John Toye, Dilemmas of Development: Reflections on the Counter-Revolution in Development Theory and Practice (Oxford: Blackwell, 1987) 118.
- <sup>78</sup> See Pual Mosley, et al., Aid and Power: World Bank and Policy Based Lending (Volume 1) (London: Routledge, 1991) 3.
- <sup>79</sup> Merilee S. Grindle, "The New Political Economy: Positive Economics and Negative Politics," Politics and Policy-Making in Developing Countries: Perspectives on the New Political Economy, ed. Gerald M. Meier (San Francisco: ICS Press, 1991) 55.
- <sup>80</sup> Samoff 526.
- <sup>81</sup> For an analysis of the new political economy in developing countries, see Paul Mosley et al. and John Toye, Dilemmas of Development.
- <sup>82</sup> See Nicos Mouzelis "Sociology of Development: Reflections on the Present Crisis," Sociology 22.1 (1988): 35.
- <sup>83</sup> See Smith 202-203.
- <sup>84</sup> See Nicos Mouzelis, Politics in the Semi-Periphery: Early Parliamentarism and Late Industrialization in the Balkans and Latin America (London: Macmillan, 1986) 199.
- <sup>85</sup> See Mouzelis, Politics in the Semi-Periphery 199-200.
- <sup>86</sup> See Mouzelis, Sociology of Development 36-37.
- <sup>87</sup> See Ernesto Laclau, and Chantal Mouffe Hegemony and Socialist Strategy: Towards a Radical Democratic Politics (London: Verso, 1985).
- <sup>88</sup> David Slater, Territory and State Power in Latin America: The Peruvian Case (New York: St. Martins Press, 1989) 16.
- <sup>89</sup> See Slater, Territory and State Power 5-26.
- <sup>90</sup> For a detailed analysis, see Paul Mosley et al. 19.
- <sup>91</sup> Mosley et al. 20.
- <sup>92</sup> See Mohan and Stokke.
- <sup>93</sup> Mohan and Stokke.
- <sup>94</sup> Smith 202.
- <sup>95</sup> Slater, Territorial Power and Peripheral State.
- <sup>96</sup> See McAllister 128.
- <sup>97</sup> See Slater, Territorial Power and the Peripheral State 503.
- <sup>98</sup> See McAllister 127.
- <sup>99</sup> See Olowu 4.
- <sup>100</sup> See McAllister, note 21.
- <sup>101</sup> Cited in Slater, Territorial Power and Peripheral State 17.
- <sup>102</sup> Antonio Gramsci, cited in Slater, Territorial Power and the Peripheral State 507.
- <sup>103</sup> See B. Berman, "Structure and Process in the Bureaucratic States of Colonial Africa," Development and Change 15.2 (1984): 161-202.
- <sup>104</sup> See Slater, Territorial Power and Peripheral State 508.
- <sup>105</sup> See Majid Rahnema, "Power and Regenerative Processes in Micro-spaces," International Social Science Journal 40.3 (1988): 364.
- <sup>106</sup> See Michael Foucault, Power/Knowledge trans. Colin Gordon (Sussex: Harvester Press, 1980).
- <sup>107</sup> See Nicos P. Mouzelis, "Modernity, Late Development and Civil Society," Democratization in the Third World: Concrete Cases in Comparative and Theoretical Perspective, eds. Lars Rudebeck and Olle Tornquist (Hampshire: Macmillan, 1998) 63-69.
- <sup>108</sup> Historically, the concept of civil society undergone a systematic reformulation; whereas civil society was initially identified with the state, later it was seen as distinct from it, playing a counterbalancing role

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though voluntary associational activity. In orthodox Marxist analysis, civil society is either collaborating with state to promote interests of capital and the state has to check the negative aspects of civil society.

<sup>109</sup> See Davis and McGregor 47-51.

<sup>110</sup> See Peter R. Davis and Allistar McGregor, "Civil Society, International Donors and Poverty in Bangladesh," Commonwealth and Comparative Politics 38.1 (2000): 50.

<sup>111</sup> Rajni Kothari, "NGOs, the State, and World Capitalism," Economic and Political Weekly 21.50 (1986): 2178.

<sup>112</sup> David Hulme and Michael Edwards, "NGOs, States and Donors: An Overview," NGOs, States and Donors: Too Close for Comfort?, eds. David Hulme and Michael Edwards (London: Macmillan Press, 1997) 6.

<sup>113</sup> Hulme and Edwards 3.

<sup>114</sup> Geof Wood, "States Without Citizens: The Problems of the Franchise State," NGOs, States and Donors: Too Close for Comfort?, eds. David Hulme and Michael Edwards (London: Macmillan Press, 1997) 80.

<sup>115</sup> See Smith 185.

<sup>116</sup> Smith 188.

<sup>117</sup> Diana Conyers, "Future Directions in Development Studies: The Case of Decentralization," World Development 14.5 (1986): 593-603.

<sup>118</sup> See Diana Conyers, "Decentralization and Development: A Review of the Literature," Public Administration and Development 4 (1984): 187-197.

<sup>119</sup> McAllister 123.

<sup>120</sup> Erik Bryld, "Increasing Participation in Democratic Institutions..." 152.

<sup>121</sup> See U. Cerroni, "Democracy and Socialism" Economy and Society 7.3 (1978): 241-283.

<sup>122</sup> Smith.

<sup>123</sup> K. Griffin, "Economic Development in a Changing World," World Development 9.3 (1981): 225.

<sup>124</sup> See Erik Bryld, "Increasing Participation in Democratic Institutions...", 151-152.

<sup>125</sup> Diana Conyers, cited in Bryld, "Increasing Participation in Democratic Institutions..." 152.

<sup>126</sup> See Richard C. Crook and Alan Sturla Sverrisson Decentralisation and Poverty Alleviation in Developing Countries: A Comparative Analysis or is West Bengal Unique? (Brighton: Institute of Development Studies, 2001).

<sup>127</sup> See Smith 192-193.

<sup>128</sup> See Bjorn Hettne, Development Theory and the Three Worlds (New York: John Wiley and Sons, 1990) 153.

<sup>129</sup> Franklyn Lisk, "The Role of Popular Participation in Basic Needs-Oriented Development Planning," Popular Participation in Planning for Basic Needs: Concepts, Methods and Practices. Ed. Franklyn Lisk (Hampshire: Gower, 1985) 21.

<sup>130</sup> Cited in Nici Nelson and Susan Wright, eds. Power and Participatory Development (London: Intermediate Technology Publications, 1995) 3.

<sup>131</sup> The World Bank defines Social Capital as 'community cohesion and history of working together.'

<sup>132</sup> See Decentralization NET, the World Bank 28 December 2003, <<http://www1.worldbank.org/publicsector/decentralization/section1.htm>>

<sup>133</sup> See Decentralization NET, the World Bank 28 December 2003, <<http://www1.worldbank.org/publicsector/decentralization/section1.htm>>

<sup>134</sup> See Sheth 68.

<sup>135</sup> See Anthony O'Malley, "The Prospects of Community-Based Development" Transcending Neoliberalism: Community-Based Development in Latin America, eds. Henry Veltmeyer and Anthony O'Mally (Bloomfield: Kumarian Press, 2001) 207.

<sup>136</sup> Schuurman 165.

<sup>137</sup> O'Malley 211.

<sup>138</sup> See Majid Rahnema, "Power and Regressive Processes in Micro-spaces," International Social Science Journal 40.3 (1988): 362.

<sup>139</sup> Veltmeyer 60-61.

<sup>140</sup> Veltmeyer 62.

<sup>141</sup> Rahnema, "Power and Regressive Processes..." 364.

<sup>142</sup> Nelson and Wright.

<sup>143</sup> See Mohan and Stokke.

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- <sup>144</sup> See Smith 194-195.
- <sup>145</sup> Rajni Kothari, "Party, State in Our Times: The Rise of Non-party Political Formations." Alternatives 9 (1984): 541.
- <sup>146</sup> Majid Rahnema, "Participation," The Development Dictionary: A Guide to Knowledge as Power, Ed. Wolfgang Sachs (London: Zed Books, Zed Books, 1992) 120.
- <sup>147</sup> Veltmeyer 13.
- <sup>148</sup> Rahnema, "Participation," 116.
- <sup>149</sup> Rahnema "Power and Regressive Processes..." 362.
- <sup>150</sup> See Gustavo Esteva, "Beware of Participation," Development 3 (1985): 77.
- <sup>151</sup> Esteva, "Beware of Participation," 77.
- <sup>152</sup> Rahnema, "Participation," 123.
- <sup>153</sup> Nelson and Wright 1.
- <sup>154</sup> Robert Chambers, "Paradigm Shifts and the Practice of Participatory Research and Development," Power and Participatory Development: Theory and Practice, eds. Nici Nelson and Susan Wright (London: Intermediate Technology Publications, 1995) 33.
- <sup>155</sup> Bryld 152.
- <sup>156</sup> See Harry Blair, "Participation and Accountability at the Periphery: Democratic Local Governance in Six Countries." World Development 28.1 (2000): 23.
- <sup>157</sup> This decentralization system made an attempt to take into account the contextual factor and introduced a 'rule of reservation' of seats in local bodies for women and scheduled castes and tribes, traditionally the most marginalized and oppressed social group in rural areas. India has a long tradition of democratic system and the performance of Panchayet Raj has been considered satisfactory compared to other developing countries See Erik Bryld, "Increasing Participation in Democratic Institutions through Decentralization: Empowering Women and Scheduled Castes and Tribes through Panchayet Raj in Rural India," Democratization 8.3 (2001): 149-172.
- <sup>158</sup> See Bryld 169
- <sup>159</sup> Smith 188.
- <sup>160</sup> According to the formula the participation will result in poverty reduction by increase in some intermediate factors in the following pattern; see Blair, "Participation, Accountability at the Periphery," 23-26.  
Participation → Representation → Empowerment → Benefits for all → Poverty reduction
- <sup>161</sup> See Slater, "Territorial Power," 501-531.
- <sup>162</sup> John Martinussen, "The Limitations of the World Bank's Conception of the State and the Implications for Institutional Development Strategies," IDS Bulletin 29(2): 73.
- <sup>163</sup> See O'Malley 207.
- <sup>164</sup> See Mohan and Stokke 247-268.

## **Chapter Three**

### **Macro Context of Bangladesh**

#### **3.1 Introduction**

With a fertile land, abundant water and adequate natural resources, the region of Bengal had been endowed with most of nature's bounties. Indeed until the 18<sup>th</sup> century, Bangladesh as part the Bengal was one of the prosperous regions in the world. Although the colonial experience had a profound impact, the people of Bangladesh looked forward to a better future at independence in 1971. Optimism, however, gradually gave way to despair. Bangladesh now features prominently among the poorest countries in the world and is known as a country of insoluble problems. In 1975 Faaland and Parkinson termed Bangladesh as a 'test case for development' while United States Foreign Secretary Henry Kissinger went a step further to declare the country a 'bottomless basket case.' While Bangladesh has achieved considerable successes in many fields in the three decades since then, the initial pessimism still finds echo in most development efforts of the country.

This chapter is broadly divided into three sections. The first section specifies the direction of Bangladesh's economic and political reforms particularly during the period between 1982-2001. It provides an outline of the interrelationships between economic and political spheres characterized by economic liberalization on one hand and increasing pressures of democratization on the other. Drawing from first part, the next section provides with a brief overview of the development trajectory of the country focusing on the key dimensions of governance and policy reforms, macroeconomic situation resulting from donor policies and human development. The final section analyzes the state-society

interface in the context of the emerging political economy. The relationship between state and civil society, particularly the emergence of NGOs as a major economic and political force and the implications thereof are analyzed. The section also looks at the agrarian structure given the dissimilar urban-rural socioeconomic conditions existing in the country along with rural development strategies undertaken the government so far. Together these sections provide a background of the political economy of development and the nature of state in Bangladesh. The objective is to identify the key aspects that shaped the decentralization policies as well to delineate the conditions in which those policies have taken place.

### **3.2 Political Economy of Adjustment**

After independence in 1971 following a bloody civil war the Pakistan army, the first government in Bangladesh was formed by the Awami League with Sheikh Mujibur Rahman (Mujib) as the prime minister. The reconstruction of the war-ravaged country, organization of a new nation, a deteriorating economic condition, and a host of other immediate tasks confronted the government. In 1972, the Bangladesh constitution was approved with four fundamental principles- nationalism, secularism, democracy and socialism. Mujib initially moved towards a system of parliamentary democracy and announced 'a package of populist economic measures' including land reform and nationalization of the few industries the country possessed.<sup>1</sup> Mujib's leadership role in the war of liberation gave him popularity initially among the people. The Awami League, which has a long tradition in political opposition to military-bureaucratic rule, also tried to systematically curb the powers of those two state machineries.<sup>2</sup>

Bangladesh inherited an over-regulated economy in the aftermath of the liberation war with subsidized food price under public distribution system, import control, an overvalued exchange rate and publicly provided agriculture inputs and institutional credit. Approximately 34 percent of value of fixed assets in the modern manufacturing sector was contributed from state enterprises.<sup>3</sup> The share of public enterprises in manufacturing increased further as the Pakistani owners who dominated trade and finance in the then East Pakistan abandoned their enterprises. The expansion of public sector can be attributed to 'circumstantial pressures arising out of independence' rather than a categorical commitment on the part of the ruling party to develop a command economy.<sup>4</sup> Despite some attempts at divestiture of state enterprises and devaluation of *taka*, the Bangladesh currency, there was no substantial change in the direction of the economy from the 1960s during the Mujib regime.

The discontent with Awami League regime grew as the economy recovered very slowly. The corruption and mismanagement of the administration and party workers was widespread and resulted in the decline of the popularity of the ruling party. On the economic front, task of developing available infrastructure within a socialist framework remained elusive. In the wake of a strong anti-government movement, the Awami League staged a constitutional coup dissolving all other parties and establishing a one-party presidential form of government in 1975.<sup>5</sup> This arbitrary domination of the party further antagonized the people, and before Mujib could implement his experimentation he was assassinated by a group of junior military officers in the August 1975.

Following a series of coups and countercoups, General Ziaur Rahman (Zia), as the army chief of staff, became chief martial law administrator in 1976 and in the following year assumed presidency. Zia reinstated a military bureaucratic state modeled after Ayub Khan<sup>6</sup> government in the Pakistan era forming a broad-based coalition of political forces opposed to the Awami League drawn from military, bureaucracy, business community and pro-Islamic elements.<sup>7</sup> Zia created his own political party Bangladesh Nationalist Party (BNP) in an attempt to ‘civilianize’ the government and sought people’s vote of confidence in his leadership and support for his policies and programmes in a countrywide referendum in 1977. The following year, he was elected president which provided immense creditability to his position.

With all the groundwork complete, the country made the transition from martial law to civilian rule during the second part of the rule (1979-1981). The process of civilianization was somewhat successful in creating a civilian support base which made him less dependent on the military. In addition, economic and social reforms initiated by the government, including trade licensing, state financed capital, state direction of private credit were successful in enlarging the sphere and the rate of private capital accumulation.<sup>8</sup> A process of disinvestments in the public sector was initiated to reverse Awami League’s ‘commitment to socialism.’

Economic reforms in the period of 1975-1982 were characterized by a greater emphasis on the promotion of private sector development. Between 1976 and 1983, a total of 217 units were disinvested or denationalized indicating a sharp acceleration in the



privatization process.<sup>9</sup> The performances of those units were however not satisfactory despite enjoying some favourable provisions from the government. While the expansion of private economic activity was in trade, industry and finance was a desired goal of the Zia government, the instrument of choice was massive lending to prospective private enterprises through the public sector development finance institutions (DFI). While the economy showed some signs of improvement with a 7.8 percent growth in GDP and a 4.4 percent increase in per capita income during 1977-78, by the end of 1981 the GDP growth declined from 6.1 percent in 1980-81 to 0.9 percent.<sup>10</sup> A deterioration of macro-economic balance forced Bangladesh to take recourse to IMF's Enhanced Fund Facility (EFF) worth \$800 million in 1980. The result was a temporary revival and burst of private sector investment and gradual emergence of a new class of entrepreneurs. However, the wealth and economic power was highly concentrated in few family-based business groups with little or no development of small-scale and medium enterprises. A study of 462 borrowers showed that almost 70 per cent of the entrepreneurs were drawn from the trade and industry while the remainder came from military, bureaucracy and services.<sup>11</sup> A large number of this entrepreneur class directly benefited from the patronage of the regime. The mutual interdependence has also seen the business community having greater influence in the affairs of the state.

Whatever successes Zia had in the economic and social fronts, he was unable to contain instability and unrest within the armed forces and was assassinated in failed coup in May 1981. While BNP was able to survive the assassination of Zia, its government was toppled in a bloodless coup led by General H.M. Ershad in March 1982. An authoritarian,

military-bureaucratic state dominated by the all-powerful president was established which would rule the country for a decade.

### **3.2.1 Stability of Military Rule**

Immediately after coming to power Ershad, highlighting the failures of previous politicians to effectively manage the democratic system, promised to bring stability to the uncertain political situation and pledged to restore representative government. The 'familiar rituals of post-coup situation' soon followed; suspension of the constitution, proclamation of martial law, dissolution parliament and a ban on political activities.<sup>12</sup> Thereafter a systematic process of personalizing the polity began with Ershad dominating the decision-making process and building an elaborate system of patronage to ensure support of the military corps, the rising business community, and his civilian allies.<sup>13</sup>

The stability of Ershad regime can be primarily interpreted in terms of developments within the army. The defense forces in Bangladesh have been afflicted by factionalism and instability, particularly due to its involvement in the liberation war and failed to preserve a hierarchical and rigid discipline.<sup>14</sup> Like all military dictators, Ershad's first priority was to nurture his constituency, that is, to keep the armed forces satisfied.<sup>15</sup> The increase in the strength of armed forces from 60,000 in 1975-76 to 101,500 in 1988-89 was indicative of the efforts of military expansion.<sup>16</sup> Correspondingly, the defense budget increased on average by 18 percent over the period while the total yearly budget increased by 14 percent<sup>17</sup> and between 1972-73 and 1998, military expenditure increased by a staggering 153 percent.<sup>18</sup> The astronomical increase in salary and benefits meant that

the real wages earned by army personnel was double the wages of corresponding civilian posts. The central administration, in the form of a 'martial law committee' (MLC), was almost exclusively composed of armed forces. As well, military personnel were placed in a number of strategic positions in civil administration including large corporations, foreign missions and police. Ershad also included bureaucracy in his side forming an alliance mutually advantageous for both groups.<sup>19</sup> The state apparatus was used effectively and efficiently towards the preservation of authoritarian rule.

The advent of the military government in the early 1980s coincided with the Bretton Wood's institutions' embarking on the structural adjustment policies throughout the world. The new martial law regime was more responsive to those pressures to carry out wide-ranging macro-economic reforms. Ershad government began to implement IMF measures through a New Industrial Policy (NIP) in 1982 that emphasized privatization of public enterprises and phasing out of price controls on foods, withdrawal of subsidies from agricultural products, austerity measures and cost-effective education policies.<sup>20</sup> Within a year of announcement of NIP, Ershad transferred ownership of 60 large jute and textile industries to private investors and public sector involvement was limited to only six basic and heavy industries. Steps were also taken to deregulate the financial sector. In sum, the reform process was much more holistic in its coverage, attempting to change the entire direction of the economy towards a private enterprise dominated market economy.<sup>21</sup>

The drastic measures saw the public sector control of industrial assets declining from 92 per cent in 1972 to 40 percent in 1988.<sup>22</sup> Importantly, there was gradual decline in the developmental efforts in the 1980s. This trend is reflected in the waning share of Annual Development Expenditure (ADE) to GDP from 10.6 per cent in 1980-81 to a low of 5.8 per cent in 1991-92.<sup>23</sup> In addition, while Ershad's industrial policy included tax holidays and credit assistance to enhance access to the global market, it facilitated new forms of rent-seeking and accumulation through the state. The policy institutionalized the move away from a national planning model and allocated resources and support to the growth of trade and manufacturing to an increasingly liberalized economy premised on the use of public resources and patronage to build an indigenous capitalist class simultaneous with sustained support for the public sector.<sup>24</sup> As such, while the reasons for Ershad's market-oriented strategies can be put down to his reliance on the 'external actors' i.e. donor pressure, Ershad simultaneously allowed the business elites to further accumulate wealth through favours at the cost of public funds in exchange for their support.

Like his military predecessor Zia, Ershad was conscious of the lack of civilian support base. Ershad organized and obtained an overwhelming majority of votes cast in a 'risk-free' nationwide referendum, giving the government a semblance of credibility.<sup>25</sup> Collecting opportunists and deserters from opposition parties, neophytes, senior military officers, Ershad formed a new political party, *Jatiya* Party and put on a civilian face discarding his military appearance. In 1986 the party won the parliamentary elections and Ershad became president. The parliamentary approval of the Seventh Amendment to the Constitution paved the way for legalizing all actions taken during the four and half years

(March 1982-September 1986) of martial law in the country. The withdrawal of military, however, only masked its continued dominance.

The Ershad regime faced stiff opposition to his rule mainly from Awami League and BNP who enjoyed generous support among the people of Bangladesh. Significantly however the two main opposition parties did not follow a unified strategy of cooperation against the autocratic regime. Ershad enjoyed tacit support from Awami League, which hoped to return to power once the military regime is removed and participated in the parliamentary elections while BNP stayed away. Thus Ershad was successful in dividing the weakening the opposition to his regime as well as demonstrating to donors his 'honest' intentions to establish a democratic polity.<sup>26</sup>

### **3.2.2 Transition to Democracy**

While Ershad managed to secure the support of the armed forces and bureaucracy, he was less successful in efforts to establish hegemony and domination over the civil society. The disillusionment with his economic and social policies grew as constraints of SAP evident with huge tax increases antagonizing the middle and lower classes. Domestic resource mobilization and savings were the decline and expenses in the non-productive sectors such as administration and defense continued to increase. The performance of a large number of privatized corporations left a lot to be desired and the nexus between the industrial class and the state led to the creation of a new group of loan defaulters. Instead of rationalizing the private sector, the denationalization programme consistently benefited few industrialists unfairly while simultaneously causing massive retrenchment in public

enterprises. This resulted in rising inequality and marginalization of poor and a deterioration of living standard across the country.

As well, political opposition gradually gained momentum in view of the regime's use of force to quell anti-government movement, a deterioration of human rights situation and continued non-performance and corruption by the government. The 1988 parliamentary elections, boycotted by main position parties, may have been the beginning of the end of Ershad regime.<sup>27</sup> Ershad's refusal to surrender power sparked off an urban-based mass uprising which led by students, opposition parties, professional groups, civil society organizations, workers with tacit support from civilian administration. In October-November 1990, violent demonstrations demanding Ershad's resignation ensued. Ershad was forced to resign in December 1990 in the wake of the mass agitation, withdrawal of military support, and growing donor unhappiness with his corrupt and ineffective government. The popular upheaval ended a decade of authoritarian rule and 'Bangladesh joined the third wave of democratization sweeping the post-cold war world.'<sup>28</sup>

The fall of the military dictator in face of a decade of continuous political movement marked a watershed in Bangladesh's history. The 1991 elections were held under a neutral interim government which can be termed the first free and fair elections in Bangladesh. Indeed, the holding of free and fair election was undoubtedly the singular essential achievement for the caretaker government. Although the Awami League was expected to win, BNP emerged the as winner in polls. BNP's victory was attributed to the steadfast anti-Ershad image of its leader Khaleda Zia, Awami League's political isolation

and complacency, the activist role of BNP's student wing in electoral mobilization and a residual hostility toward Awami League's 1972-75 governmental record.<sup>29</sup>

### **3.2.3 Return to Political Rule**

While BNP preferred a presidential system of government, the party agreed to restore parliamentary democracy, and following the passage of the 12<sup>th</sup> Amendment to the Constitution, Khaleda Zia became the new prime minister. Although there was the widespread consensus in support of the new political order, BNP inherited a fragile democracy. The new government however did not appear to have significantly different policies from the previous regime in that the development strategy based on 'an ideology of developmentalism driven by market forces.'<sup>30</sup> The government expressed its intentions to assume a 'promotional rather than regulatory role' in facilitating the development of the private sector.<sup>31</sup> It made efforts to complete what the World Bank calls the 'unfinished reform programme.'<sup>32</sup> Foreign investment was encouraged to set up export-oriented enterprises by offering tax exemptions, investment procedures were simplified and regulatory role of key government agencies were eliminated.

From the beginning, a discernible change in power structure was observed in favour of business and industrial class being at the helm of the government as ministers and members of parliament. Almost half of the BNP candidates for the parliamentary elections of 1991 belonged to the industrial class forging a dominant force in politics. At 59 percent, they constituted the largest group in the parliament as newly elected members, reflecting an increase of over 95 percent.<sup>33</sup>

Initially, BNP's greatest success was in the macro-economic programme which was reflected in the an increase in tax revenues due to a newly imposed value-added tax, low inflation and higher level of investment and a decline in government deficit. Despite favourable macroeconomic policies and relative political tranquility, BNP government was soon facing a number of pressing problems. Firstly, the government failed to translate its macroeconomic policies into successful micro level development that would encourage growth. While the IMF and World Bank targets of lowering inflation and increasing revenues were met, the country failed to increase its economic growth rate from an average of 4 percent (from 1973 to 1993) to 6 percent.<sup>34</sup> As a result 'the economy remained sluggish due to low levels of investment, low savings, and rising local debt.'<sup>35</sup>

In addition, Khaleda Zia's slow, centralized and highly personalized decision-making style led to poor political management, a focus on narrow policy issues and a tendency to drift from one political crisis to another. Ineffective coordination and an inability to control the complex bureaucratic machine further compounded the problems of administrative paralysis and slow implementation of projects. The inexperienced BNP government proved to be fragile, insecure, and ineffective, and by 1995 Bangladesh faced a new political crisis. The last two years of BNP government was marked by continuous political agitation led by Awami League. In March 1994, the Awami League accused BNP of rigging parliamentary by-election,<sup>36</sup> resulting in the rest of the opposition joining a movement demanding the appointment of a neutral care-taker government. The campaign went on for two years and used a number of tactics including calling repeated



*hartals* (general strikes) designed to force the government to capitulate to the demand. From 1994 to 1996, Bangladesh suffered 175 days of political disturbances including 95 days of countrywide *hartals* and 22 days of continuous ‘non-cooperation.’<sup>37</sup> A massive opposition to the regime ensued in which political parties were joined by students, professionals, business community, much in manner of anti-Ershad movement in 1990. The resignation of all opposition members of parliament *en masse*, the dissolution of parliament and holding of election that was boycotted by opposition parties,<sup>38</sup> created a virtual paralysis in the political system. BNP finally relented and resigned in favour of a caretaker government and Awami League won the June 1996 parliamentary elections.

Table 3.1: Distribution of parliamentary seats among political parties between 1973-1996.<sup>39</sup>

Percent of seats won (Percent of votes received)	Awami League	BNP	Jatiya Party	Others
1973	97.7 (73.2)	NA	NA	2.3 (26.8)
1979	13.0 (24.6)	69.0 (41.2)	NA	18.0 (34.2)
1986	25.3 (26.2)	NA	51.0 (42.3)	23.7 (31.5)
1991	31.0 (32.6)	46.7 (30.8)	11.7 (11.9)	10.6 (24.7)
1996 (June)	48.7 (37.5)	38.7 (33.3)	10.7 (16.1)	2.7 (13.1)

Awami League with its history (1972-75) of alienating civil bureaucracy and the military assured institutional autonomy for these dominant groups. It also discarded its socialist stance and affirmed committed to a free market economy. The transformed Awami League in fact ‘looked quite similar to BNP.’<sup>40</sup> The government articulated a need for ‘national consensus’ on key issues including health, health and civil administration. The economic policies encouraged foreign private investment, particularly in energy and power sectors.

In course of time, several factors gradually eroded the creditability of the government. Sheikh Hasina's preoccupation with her father's legacy and strong sense of partisanship, Awami League factionalism, and the patronage preoccupations of party members created serious concerns for the government in its relations with donors, opposition parties, key sectors of civil society and the general public. The political and policy problems confronting the new government began early in 1997 and continued to grow with increasing poor governance. Consolidation of democratic practices however remained the principal challenge. Alleging suppression of its workers, BNP repeatedly boycotted parliament sessions, engaged in street demonstrations and adopted a tit for tat strategy of destabilizing the government. At the dawn of the new millennium, Bangladesh again faced a political crisis as the two major parties failed to settle their differences through dialogue and negotiation.

### **3.3.1 Politics of Confrontation**

Since the overthrow of Ershad regime, Bangladesh has continuously experienced negative form of politics instead of democratic consolidation. The confrontational and agitational politics, what Blair terms 'politics of the streets,'<sup>41</sup> has resulted in constant instability despite the convergence to the centre in terms economic policy and political ideology.<sup>42</sup> Political agitation without a clear popular mandate has been characteristic of both Awami League and BNP leading to further systematic political polarization between the two. According to Hossain, the confrontational politics as practiced by the two leading parties are 'a manifestation of an in-built undemocratic political culture in which each party seeks to monopolize state power.'<sup>43</sup>

According to Khan, 'Bangladesh shows all the symptoms of an underdeveloped polity.'<sup>44</sup> While political parties can be blamed for the political anti-development, the very texture of Bangladesh society and the pattern of personalized relationships and politics contribute to the problem of institutional weakness and absence of consensus. The process is reinforced by a number of factors including opportunistic nature of leadership, fragmentation of parties into smaller factions, and perpetuation of personality cults.<sup>45</sup> Hossain holds that the current leaders of the parties have 'divided the nation, created and perpetuated dynastic myths around two past leaders, and thereby derived legitimacy for their leadership.'<sup>46</sup>

It is pertinent to point out that the rivalry between Awami League and BNP is not merely for state power but also for control over actual or perceived history of Bangladesh identity.<sup>47</sup> Both the leaders of the two main political parties were chosen for reasons of hereditary and kinship and the supreme leadership position that both these leaders have led to arbitrary exercise of power and undermined governmental functions. The parliamentary system that has been in existence for over a decade 'can best be termed as a prime-ministerial system.'<sup>48</sup> The disagreement over conflicting identities, values has been compounded by the patrimonial style of dynastic leadership in which the leaders have become embroiled in a bitter, personal struggle to restore their patrimonial right to control the state.<sup>49</sup> In such a situation, democratization as a part of the governance system has yet to be institutionalized.

### **3.3.1 State of Misgovernance**

The sociopolitical scenario mentioned-above in turn has had a negative effect on the governance of the country. One pressing problem is the politicization of public bureaucracy which has taken the form of partisan interference of the polity in the affairs of civil administration. Corruption is pervasive in all sectors of the government.<sup>50</sup> Lack of independence of the judiciary, the use of administration for political gains has rendered the state apparatus ineffective in bringing meaningful changes in governance.

On the other hand, the dominant position of the executive within the political system in Bangladesh is well known with the former controlling the latter's agenda.<sup>51</sup> The civil service in Bangladesh has resisted reform initiatives of reorganization and rationalization for a long time through organized resistance. As well, measures to tackle problems of corruption, inertia, indolence, and inefficiency in bureaucracy proved to be counterproductive, and at best brought marginal changes to the status quo. The bureaucracy, insulated from the broader society, manifests a highly paternalistic attitude towards the people, a legacy of colonialism. Indeed, the state of misgovernance prevailing in the country has been attributed to its colonial experience by some who see it as 'a product of historically constructed structures which the government keeps reproducing.'<sup>52</sup> Eventually, ordinary citizens have to bear the burnt of bureaucratic misrule whose prevalence can be attributed to the failure of effective political control.<sup>53</sup>

This crisis of governance manifests itself in the breakdown of law and order, non-performance of the administration, and the dysfunctional nature of parliamentary

democracy. In virtually all public services including banking sector, power, gas, water supply, state has lacked efficiency and capacity. The state in the eyes of the citizens of Bangladesh has lost its legitimacy due to its own failure to govern. The incapacity of state to serve its citizens is encouraging the people to seek alternative avenues for provision of goods and services, healthcare and education. However, except a few sectors like readymade garments, housing, the market mechanisms have largely failed to provide improved service. Access to the private goods and services remain unequal and quality private in healthcare and education is limited to a very narrow segment of the population. It is doubtful whether the move towards market is a viable solution in view of nature of the Bangladesh state and society. As Sobhan points out, 'markets operate within the political economy of particular societies which influences both their efficiency as well as incidence of benefits to those served by or serving the market.'<sup>54</sup>

### **3.4 Structural Adjustment and Macro economy**

Since independence, the Bangladesh economy has been characterized by a structural change in composition of output and employment away from agricultural sector in the direction of manufacturing and service sectors. However, Khan argues that this does not represent a dynamic transformation of the economic structure as the reduction in the share of agricultural output was not sufficiently rapid and was not matched by vigorous industrialization and tertiary growth but almost entirely in the contribution of construction, public administration and services.<sup>55</sup>

Table 3.2: Annual Growth Rates in different sub-periods<sup>56</sup>

1975-80	4.2 percent
1980-90	4.3 percent
1990-97	4.7 percent

While Bangladesh achieved faster growth rate in GDP after independence, annual growth seems to be locked permanently locked at 4 to 4.5 percent with little or no sign of acceleration in recent years. Recent data suggests that Bangladesh have been able to achieve moderate progress in macroeconomic framework over the past few years including in the rate of inflation, investment and domestic savings.<sup>57</sup> Despite these moves toward macro economic stabilization, the economy did not grow sufficiently as required to reduce mass poverty.<sup>58</sup>

Table 3.3: Sectoral composition of GDP (Per cent shares at constant 1984/85 prices)<sup>59</sup>

Sector	1975/76	1997/1998	Change
Agriculture	49.3	31.6	-17.7
(Crops)	(38.5)	(22.8)	(-15.7)
Manufacturing	10.2	11.5	1.3
(Large-scale)	(4.4)	(7.6)	(3.2)
(Small-scale)	(5.8)	(3.9)	(-1.9)
Construction	2.5	6.3	3.8
Transport, communication & Storage	10.6	12.3	1.7
Housing service	8.4	7.1	-1.3
Public Administration and Defense	2.4	5.5	3.1
Other (mainly services)	16.6	25.7	9.1

The nature of the structural adjustment as pursued in Bangladesh can be termed 'corrective' in that they aimed to improve fiscal and external balances, reduce distortions, encourage competition and promote market development.<sup>60</sup> Except a largely liberalized export regime and spurts in export growth, and decrease in inflation rate, the results of these reforms reveal very limited positive achievements. Bangladesh attained a much-reduced public sector, very limited input subsidies in agriculture, and a reduced role of state in manufacturing where virtually no new investment has taken place in the last 15 years. As well, there was a fall in investment rate, a stagnating GDP growth and domestic savings rate. While the international financial institutions attribute the disappointing results to the failure to follow through with economic reforms as well as the lack of effective governance for growth, the policy framework of the reforms itself were 'neither drastic nor comprehensive' lacking a clear direction and sense of purpose.<sup>61</sup>

Table: 3.4: Changes in selected macroeconomic and human development indicators in pre-adjustment and adjustment period<sup>62</sup>

Indicators	Pre-adjustment period (Average of 1981/82 to 1985/86)	Adjustment period (Average of 1986/87 to 1990/91)
Real GDP growth rate (Percent)	4.3	3.9
Public expenditure development (As percent of GDP)	8.4	7.2
Investment (As percent of GDP)	13.2	11.8
Public expenditure on education (As percent of GNP)	2.2 (1986)	2.2 (1988-1990)

In the face of resource constraints, the government squeezed expenditure on social development. The absence of complementary institutional reforms has led to the stagnation of the economy. Income inequalities are on the rise; the Gini coefficient rose from 0.372 in 1985 to 0.430 in 1995 in both urban and rural areas.<sup>63</sup> Bangladesh is no exception to the recent donor focus on the poverty reduction to redress the failures of adjustment. Currently the government is in the process of preparing the Poverty Reduction Strategy Paper, a country-driven 'broad-based' policy document characterized 'national ownership.' Rehman Sobhan, the foremost critique of donor role in Bangladesh, contends that the change in policy from structural adjustment to poverty reduction is likely to be of very little consequence in Bangladesh.<sup>64</sup>

Table 3.5: Composition of government expenditure in Bangladesh (Percent of total expenditures)<sup>65</sup>

Fiscal year	Defense	Civil Admin	Debt servicing	Economic services <sup>66</sup>	Social overheads			Subsidies
					Education	Health	Housing	
1973	3.0	13.4	2.0	51.7	9.4	3.9	3.4	11.4
1981	6.7	9.0	2.6	61.0	8.1	5.0	4.0	2.9
1985	9.0	9.2	5.0	51.6	9.8	5.7	1.7	4.2
1988	9.7	10.5	6.9	43.7	9.6	3.6	2.0	1.0

### 3.4.1 Political Economy of Foreign Aid

Bangladesh has been perennially dependent on foreign aid. Donor reliance has been evident from the very beginning when the United States withheld its food aid commitment in 1974 contributing to the worsening of the famine situation in 1974 when 100,000 died. The country's total amount of outstanding foreign debt is more than US\$



12.5 billion, which is more than 50% of the GDP.<sup>67</sup> Over the years, there has been a shift in the type of with the contribution of commodity and food declining with concomitant increase in project aid.

Among the donors, World Bank and IMF have the most contribution, together accounting for about 21% of the total foreign assistance received by Bangladesh during 1971/72 to 1993/94.<sup>68</sup> The great influence exerted by the institutions in the economic affairs of the country reached to the extent of Bretton Woods' duo being labeled as 'major political force.' Given the high volume of aid through, it is not surprising that policy advice has been as big a role as lending.

Table 3.6: Sectoral breakdown of World Bank's resource flow to Bangladesh<sup>69</sup>

Sector	Percentage
Physical infrastructure (Water management, flood control, energy and natural resources, transport and communication, rural development, etc.)	35.27
Import support (Commodity loan)	27.36
Economic sector (Agriculture, industries, private sector support)	20.94
Social infrastructure (Population and health, education, public administration)	14.10
Technical assistance	1.25
Other	0.89

From the table, it is quite clear that the focus of World Bank was explicitly on physical infrastructure while aid flow to social sectors remains modest. As indicated earlier, towards the 1980s, World Bank took steps to move away from project-based to policy

based lending. These steps included,<sup>70</sup> (i) use of non-project or programme lending where the programme was divorced of aid for specific items of investment and provided general support to deficit balance of payment; (ii) combining of programme ending with policy change conditions; and (iii) broadening of these conditions from sectoral to macroeconomic level. While structural adjustment lending characterized the World Bank policy prescription since mid 1980s, institutional reforms including efficiency of public enterprises, improved institutional capacity and legal framework to support the productive sectors received less attention during the period.<sup>71</sup>

The amount of development assistance to Bangladesh has shown a declining trend with aid-GDP ratio of 10 percent in 1981/82 declined to 4 percent in 1996.<sup>72</sup> Nevertheless there has been no lessening of the donor inclination of intervening in policy matters of the country. A series of conditionalities that were accompanied with the assistance amounted to serious erosion of sovereignty. As well, foreign aid has contributed to the growth of a moneyed class through the policy of patrimonialism where the political leaders used national wealth to create a subservient class through transferring public wealth to private hands.<sup>73</sup>

### **3.4.2 Social Development**

Bangladesh achieved some successes in social and human development in the last two decades. The total fertility rate (TFR) declined from 6.8 in 1975 to 3.1 in 1997 while the population growth as per UNICEF figures in 1991 is 1.6 percent per annum, which is one of the lowest in the developing world.<sup>74</sup>

Table 3.7: Human development indicators Bangladesh (1990-98)<sup>75</sup>

Year	Life expectancy at birth	Adult Literacy rate (%)	Real GDP per capita (US\$)	Human development rank
1990	51.8	35.3	872	147
1992	52.2	36.6	1,160	146
1994	56.4	37.3	1,331	144
1998	58.6	40.1	1,361	146

Importantly however the pace of human development has been faster over the last two decades than corresponding achievements in reducing income poverty.<sup>76</sup> In other words, the growth in human development has failed to translate into additional growth possibilities for the poor. This can be attributed to the unequal access to the distribution of human development, particularly the urban-rural disparity. In 1995/96, per capita private expenditure on education in urban areas was nearly four times as high as the figure in rural areas and in mid-1990s only 15 percent of the rural population has access to public health care.<sup>77</sup> While the expenditure on social development has increased, the rate and quality of the growth in these sectors still needs to be scaled up to have a significant impact on poverty reduction.

Table 3.8: Percentage of social sector expenditures in Annual Development Programme<sup>78</sup>

Category	1990	1996	2001
Total social expenditure	9.95	24.39	29.43
Education	3.96	13.57	15.45
Health	1.71	5.00	8.93
Family Planning	3.85	4.22	3.12
Social welfare	0.45	1.60	1.93
Total ADP	100	100	100

### **3.5 State, Civil Society and NGOs**

There are a rich variety of civil society organizations in Bangladesh including community groups, landlords association, cooperatives, religious organizations, business associations professional groups and the like. Bangladesh has a long history of civil society activism with the most famous being its role in the anti-Ershad movement in 1990. However, civil society defined within the western liberal framework is misleading in the sociopolitical context of Bangladesh. For the most part, civil society has not shown homogeneity in terms of putting organized and sustained pressures on the state expect for 'extraordinary' circumstances like the democracy movement for which there were mass popular support.

In Bangladesh, civil society, in conventional use of the term, is composed of higher strata of the society and is far removed from the ordinary people.<sup>79</sup> Although these civic bodies would like to be referred to as civil society, their associational activity exists among only themselves to further strengthen their coalition. While other civil society actors such as student bodies, trade unions can be more identified as part of orthodox civil society they are generally divided along political lines and therefore lose the neutrality of being entities independent from the state. It is in this context that Davis and McGregor emphasize the enmeshment of civil society with the state in Bangladesh and suggest that activity by civil society may in fact be implicated in the ongoing reproduction of poverty rather than alleviating it.<sup>80</sup> Therefore, the relationship between state and civil society is somewhat paradoxical in that substantive redistribution policies were not allowed to take shape and be effective due to configurations of power exerted by the dominant social groups. Similarly, while increasing foreign aid has provided some positive welfare

outcomes for the poor, it did little to undermine the control of civil society by elites groups and in some cases served to reinforce the unequal order.<sup>81</sup>

NGOs form a major part of the civil society in Bangladesh. Historically NGOs were involved with relief work after natural disasters or private voluntary work undertaken by affluent class in organizing schools, mosques, etc. The continuing levels of poverty across the country led to widespread disillusionment with the government's model of development. In addition, the absence of strong industrial bourgeoisie and skilled labour force provides a suitable 'market' for NGOs. NGOs gradually began to formulate an alternative grassroots development strategy working directly with marginalized sections of society, a process known as 'targeting the poor.' This was somewhat in contrast to the state's reliance on trickle-down benefits as seen in Bangladesh in an early part of its history. NGO strategies in Bangladesh could be categorized as; providing credit resources without collateral with which low income household members could begin to generate income through non-land, small scale economic activities, and adapting Freirean approaches to group formation or conscientization designed to development the potential of poor to challenge structural inequalities through education, organization and mobilization.<sup>82</sup>

A majority of the NGOs in Bangladesh have endorsed the credit-based approach as it is generally regarded as economically more viable because of substantial external support. As well, many NGOs have pursued different indigenous income-generating activities for women like cattle and poultry rearing, food processing, handicrafts, etc. While the

‘conscientization’ NGOs undertake political action at the community level, they have for the most part remained discreet from wider political debate and action. As Lewis contends, ‘NGOs remained largely closed off from the rest of civil society and tended to be greeted with some skepticism by the middle classes and the media, which saw them as self-interested and accountable only to foreign donors.’<sup>83</sup>

Table 3.9: Flow of foreign grant through NGO Affairs Bureau<sup>84</sup>

Period <sup>85</sup>	Projects financed	Funds released (US\$ million)
Prior to June 1990	8	5.42
1990/91	464	106.60
1992/93	626	195.70
1995/96	337	156.77
Cumulative through 1997/98	4,579	1288.57

There has been a sharp increase in the total number of NGOs working in the country; foreign funded NGOs increased from 494 in 1990-91 to 986 in 1994-95 while local NGOs rose from 395 to 848 in the same period.<sup>86</sup> A World Bank report shows that there has been a significant increase in the percentage of official development assistance (ODA) through the NGO channel from 8 percent in 1991 to 14 percent in 1994-95, in real terms a rise from US \$120 million in 1991 to US\$188 million in 1994-95.<sup>87</sup> NGOs are now estimated to work in 78 percent of the villages in Bangladesh.<sup>88</sup> The report also indicates that nearly 70 percent of the funds are consumed by 10 largest NGOs of the country. Organizations such as Bangladesh Rural Advancement Committee (BRAC) and *Proshika* are now comparable in size, coverage and influence to government departments or local corporations.<sup>89</sup>

With the emergence of new policy agenda resulting in the convergence of market liberalization and democratic governance and the global level and democratic transition in Bangladesh, NGOs have assumed new roles in Bangladesh. The recent trend among some big NGOs to venture into commercial activities raises many questions about their role and status in society. On the other hand, NGOs, which generally eschewed a political role, are more vocal these days given the relatively stable political situation in which to operate. The donors' readiness to support NGOs also reflected the changing stance under the good governance and 'thickening of civil society' agendas. However, given its strong external linkage, the NGO sector cannot be equated with civil society and needs to be examined in terms of its own distinctive institutional forms.

As a whole the trend of increasing donor reliance on non-governmental sector indicates the loss of creditability and a change in balance of economic power from state to NGOs. NGO, donors, and state in Bangladesh are therefore locked into a mutually reinforcing structure of conflictual relationships.<sup>90</sup> The government for its part is in the contradictory position of witnessing the rise of NGO influence with increasing donor support at the loss of its own legitimacy. Not surprisingly there have been attempts by the state to 'regulate' NGO activities. All funds brought into the country by NGOs have been subject to lengthy bureaucratic approval procedures. In 1989 the NGO Bureau was established to provide 'one-stop' service to NGOs, which according to observers, increased the government's ability to monitor and interfere in NGO activities.

Table 3.10: Number of Foreign-funded NGOs registered with NGO Affairs Bureau, 1990-98<sup>91</sup>

Period	Local NGOs		Foreign NGOs		Total NGOs	
	New	Cumulative	New	Cumulative	New	Cumulative
1990	293	293	89	89	382	382
1992/93	77	600	14	125	91	725
1995/96	92	882	3	132	95	1014
1997/98	48	1045	5	140	53	1185

### 3.6 Rural Poverty

Situated in the delta of three major rivers, agriculture is the lifeline of the economy. Adequate rainfall and warm temperatures provide ideal climate for agriculture and crops are grown throughout the year. Bangladesh's land may be rich, but its people are poor, most of them residing in the countryside. Bangladesh has often been dubbed a land of small farmers. The country's agriculture is described as subsistence farming where peasants grow barely enough to feed themselves. While the causes of rural poverty can be explained in terms of decline in agriculture growth especially since the 1980s, and the gradual elimination of subsidies which increased living cost, reduced income for the relatively poor segment of the population, the single-most factor in deterioration of rural poverty is the unequal distribution of land.<sup>92</sup>

The causes of landlessness can be traced back to the country's colonial experience. Historically, the land system in Bengal was one of community-owned property. The mode of localized and village-based production was destroyed by the advent of British colonial rule in the Eighteenth Century. Under the "Permanent Settlement" system of the colonial administration in 1793, the traditional rights of the village community over land



was superseded with *zaminders* or landlords exercising control in return of payment of land revenue to the British government. This resulted in the emergence of a large number of rent-collecting intermediaries between colonial state and the peasants. While the abolition of *zamindari* system in 1950 somewhat eased the plight of rural poor, the role was taken over a new class who were converted into the status of owners. By 1947 when the end came to the British Empire in India, 'Eastern Bengal had been reduced to an impoverished agricultural hinterland.'<sup>93</sup>

Table 3.11: Percent of population in poverty in Bangladesh<sup>94</sup>

Year	Rural	Urban
1983/84	53.8	40.9
1985/86	45.9	30.8
1988/89	49.7	35.9
1991/92	52.9	33.6
1995/96	51.1	26.3

The present agrarian structure is characterized by high concentration of land ownership and prevalence of share tenancy. According to a recent World Bank report, there has been significant increase in landlessness- as many as 56 percent of rural households were 'functionally landless'<sup>95</sup> in 1997 compared to 46 percent in 1983/84.<sup>96</sup> Because of the effects of inheritance patterns and progressive dispossession, most landholdings are extremely small. An indication of the growing fragmentation of the landholdings is evident in that the average size of farms worked by their owners dropped from 3.1 to 2.0 acres and the average size of tenant holdings from 2.4 to 1.5 between 1960 and 1977.<sup>97</sup>

In rural areas, social organization is based on intricate net of exploitation by the larger landowners. The poor are forced to pay the price of continued subservience in order to get access to employment, credit, and land for tenancy cultivation. This has led a social anthropological perspective emphasizing patron-client relations with vertical integration of different classes in the polarized agrarian structure.<sup>98</sup> This structure has also been articulated in 'class' terms with the systematic relations of exploitation observed between owners of means of production and those who are separated from such ownership.<sup>99</sup>

Table 3.12: Degree of inequality in the distribution of landholding and per capita incomes<sup>100</sup>

Position	Percentage share					
	Land owned			Per capita income		
	1995	1990	1988	1994	1989-90	1987
Bottom 40%	1.9	2.1	2.1	15.7	15.7	18.7
Mid 40%	27.9	26.8	29.6	35.8	36.3	39.3
Ninth decile	19.6	19.9	21.0	16.9	15.7	15.8
Top 10%	50.6	51.2	47.2	31.6	32.3	26.2
Top 5%	34.6	35.7	30.0	19.9	21.4	16.0
Gini concentration ratio	0.64	0.70	0.67	0.42	0.42	0.35

Analysis of the dynamics of rural poverty underscores its multi-dimensional character Bangladesh, consisting not just of economic but complex social and cultural conditions. Scholars have tended to use terms like 'semi-feudal' to describe the socio-economic order in rural areas.<sup>101</sup> There is a lack of dynamism both in terms of agricultural development and social reform in rural society. The structure of dominance is reinforced the social inequalities on the basis of religion and patriarchic ideologies. Indeed, poverty has important gender dimension in Bangladesh and particularly so for rural women who

experience it very differently and disproportionately. The lack of access to healthcare, nutrition, education and legal services has a differential impact on women in Bangladesh. It is therefore not surprising that Bangladesh fares poorly in most indices related to the status of women.<sup>102</sup>

The role of state is not benign in the preservation of unequal socioeconomic order. The political attitude of rural electorate is primarily concerned with supporting those who can secure and distribute state patronage. By virtue of their dominance over traditional political and social institutions as well as close links with the administration, the dominant interests of the rural society is able to secure a disproportionate benefit and access to donor or state sponsored development inputs and solidify a well-established network of exploitation and manipulation.

Table 3.13: Unemployment and underemployment rates, 1995-96<sup>103</sup>

Percentage of labour force	Bangladesh			Urban			Rural		
	All	Men	Women	All	Men	Women	All	Men	Women
Unemployed	16.5	7.1	29.0	11.3	6.2	24.5	17.6	7.4	20.8
(Including less than 15 hours)									
Underemployed	34.6	12.4	70.7	19.6	10.0	44.4	37.9	13.1	74.6

### 3.6.1 Rural Development and State

With about 80 percent of Bangladesh's 13 million people living in rural areas and agriculture contributing one third of the total GDP, the economy and society of Bangladesh is overwhelmingly rural. Although the state policy in the sector has seen some fundamental changes over the years, the government has taken active role in the

development of agriculture given its importance in the overall political economy of the country.

The first government of the country formed by Awami League espoused cooperative policy to ensure equity consistent with its 'socialist' strategies. The distribution of agriculture inputs including fertilizer, pesticides, irrigation equipment, high-yielding varieties of paddy seeds and expansion of mechanized tube-well irrigation has been primarily state sponsored ventures with the government exercising virtual monopoly through Bangladesh Agriculture Development Corporation (BADC). The rural development strategy taken by the government was the Comilla cooperative model which originated in the 1960s during Pakistan era and had achieved a measure of success and international recognition. The model, developed by Bangladesh Academy for Rural Development (BARD), had a two-tier cooperative system intended to promote an equitable Green Revolution strategy through farmers' cooperative;<sup>104</sup> assist with agricultural extension, supervised credit training; and provide a structure for needs-based farmers' organizations.<sup>105</sup> The Comilla approach continued after the independence and replicated on the national level under the Integrated Rural Development Programme (IDRP).

While the approach appeared to work under the intensive 'laboratory conditions' of Comilla district, attempts to scale up the model throughout the country weakened its innovative character and left the formal cooperative embedded in the rigid bureaucratic structures of the executing agency Bangladesh Rural Development Board.<sup>106</sup> Although

the emphasis of the programme was on the 'small farmer,' the cooperatives were prone to capture by the local elite and larger farmers in collusion with local administration.<sup>107</sup> Despite substantial increase in the total agricultural production, the cooperatives further enhanced the power of dominant class. According to Kramsjo and Wood, the model had two major problems- (i) socioeconomic profile of Comilla was not typical for Bangladesh, and (ii) the significance of conflicts and inequalities were understated within the cooperative system.<sup>108</sup>

The shift in public policy in agriculture began with structural adjustment programmes being carried out in 1980s which saw the withdrawal of subsidies in agriculture. Extensive reforms in the fertilizer, seed and irrigation marketing were undertaken in mid 1980s through mid 1990s as a result of which agriculture input markets became substantially liberalized and this continued to be the pattern ever since. IRDP were taken up with extensive donor support, particularly by World Bank and USAID to improve rural infrastructure and effect technological transformation of agricultural sector. The policies under Ershad government involved a significant reduction of in direct state involvement in favour of private enterprise, reduced subsidy levels, and state disinvestments in minor irrigation ownership. The reduction of state monopoly of distribution of agriculture inputs has been justified on the grounds that a measure of competitiveness and economic accountability would be introduced and avoid the bureaucratic dysfunctions. Against the backdrop of the privatization, there has been a growing trend in the use of NGOs in agricultural research and extension by donors as more efficient alternative to public distribution of agricultural inputs.

After initial spurt in late 1970s and 1980s largely due to conversion to high yielding varieties and introduction of fertilizer-irrigation technology, agriculture growth stagnated in early 1990s. However, the situation improved in late 1990s and with record production of 25 million tons in 1999-2000, Bangladesh enjoyed near self-sufficiency in food grains.<sup>109</sup> The irrigated land area of the country increased from 2.6 million acres immediately preceding liberation to 4.5 million acres in 1985.<sup>110</sup> The use of chemical fertilizers jumped from 200,000 tons to more than a million in the same period while official agricultural credit expanded from 90 million *taka* in 1966-67 to more than 10,000 million in 1984-85.<sup>111</sup>

Table 3.14: Agriculture growth rates in Bangladesh 1970-2000<sup>112</sup>

Average	1970s	1980s	1990s
Agriculture growth rates	1.9	2.7	3.0

While gross agricultural productivity has shown appreciable improvement over the years, access to agricultural inputs was skewed in favour of the dominant classes. In rural Bangladesh, the social order determines who benefits from rural development and foreign aid and development assistance generally builds upon and thereby reinforces the unequal relations of production and exchange. Along those lines Rahman has argued that the rural development efforts have in fact accelerated the process of peasant differentiation and polarization.<sup>113</sup> There has been reluctance on the part the part of successive governments to make substantive changes in the agricultural policy. Hossain terms agricultural policies undertaken by both Zia and Ershad governments ‘politically defensive’ in that they were

highly conscious of and concerned with the political implications.<sup>114</sup> As such, contentious policies like land reform and taxation were largely dictated by political interests while giving the impression of efforts being made to mobilize local resources from agriculture. A comprehensive national policy for the rural areas has never been formulated; instead the process has been subjected to a number of competing strategies undertaken by different government agencies.<sup>115</sup> As a result, despite much rhetoric productive investment in agriculture has not materialized resulting in a virtual stagnation in rural economy.

### **3.7 Conclusion**

Political economy in Bangladesh has been characterized by two distinctive formations since independence. Up until 1990, it consisted of urban-based strata of bureaucracy, military and political leaders allied with rural power holders in the countryside.<sup>116</sup> In contrast, the scope of the political economy since then has become wider with the additional actors of the NGOs and the business community.<sup>117</sup> A number of factors have precipitated the changes, notably growing dissatisfaction by donors with state failure to take care of its citizens and the rising commercialization of power due to the rigorous liberalization policies started in the 1980s.

Ever since its creation, Bangladesh's bureaucratic-military oligarchy has dominated the political process. Extended periods of military rule in Bangladesh have left an undeniable legacy in make up of the country, what Jalal dubs 'the political economy of defense.'<sup>118</sup> Although there has been a firmer commitment to capitalist principles beginning with Zia,

the need to maintain political control also militated against a policy of strictly devolving state resources.<sup>119</sup> The strategy of a mixed economic model characterized by denationalization and privatization policies reinforced the link between the select few controlling the state. The decline in the social expenditure and the absence of meaningful redistribution policies has led to increasingly unequal and polarized society.

On the political front, continuous conflict between and within political parties and characterized by strong-man, or for that matter 'strong-woman' rule, have resulted in lack of consensus in major policy matters. It is evident in the fact that the only ways to change governments in Bangladesh has been assassination, military coup, or street politics.<sup>120</sup> During a span of 20 years between 1971-2000, the country's constitution remained suspended for over eight years due to military takeover of state power.<sup>121</sup> The civilianization of military rule in Bangladesh is essentially were a political means to consolidate regime perpetuation and accommodate the private sector in the legal framework of state structure.

Bangladesh seems to reflect the contradictory relations between state and civil society. Sarah White associates Bangladesh as a 'weak state' in a 'strong society' given that the repeated failures in land redistribution, administrative reform or prohibition of dowry.<sup>122</sup> Indeed, these failures point to a weak institutionalization of state and lack of independence between executive and administrative arms. Civil society, in this perspective, has encroached upon the state. On the other hand, the state has over the years maintained its dominance over civil society through subtle incorporation and brute force.



As such, the inference that Bangladesh can be identified as strong state in a weak society equally holds true.

The state has also been unable to make much impression on the rural contradictions in part due to the social backdrop in the countryside as well as the integration of local and national structures of power. While the homogenous and egalitarian view of rural arena grossly undermined the pattern of underdevelopment for an overwhelming number of people, state intervention in agriculture and rural development only helped to reinforce the existing inequalities in rural Bangladesh. The rise of NGOs has to be seen in the context of government's inability to formulate and implement development policies. The ensuing relocation of credibility and resources has significantly altered the balance power in the political economy of the country.

## ENDNOTES:

<sup>1</sup> Ayesha Jalal, Democracy and Authoritarianism in South Asia: A Comparative and Historical Perspective (Cambridge: Cambridge University Press, 1995) 86.

<sup>2</sup> Mujib in fact created his own para-military force called *Rakkhi Bahini* or Security Forces, mainly drawing from his party members and loyal section of the armed forces. The move was resented by majority of people, the bureaucracy and the army.

<sup>3</sup> Cited in Rehman Sobhan, "Structural Maladjustment: Bangladesh's Experience with Market Reforms," Economic and Political Weekly 19 (1993): 925.

<sup>4</sup> Rehman Sobhan, "Structural Maladjustment," 925.

<sup>5</sup> The party was called Bangladesh Krishak Shramik Awami League (BAKSAL) or Bangladesh Peasants Workers Awami League. BAKSAL was to have five fronts: peasants, workers, youth, students and women.

<sup>6</sup> General Ayub Khan came to power in a coup in 1958 and his authoritarian military-bureaucratic rule lasted until the breakup of united Pakistan in 1971.

<sup>7</sup> See Stanley A. Kochanek, "Governance, Patronage Politics, and Democratic Transitions in Bangladesh," Asian Survey 40.3 (2000): 532.

<sup>8</sup> See A.M. Quamrul Alam, "The Nature of Bangladesh State in the Post-1975 Period," Contemporary South Asia 2.3 (1993).

<sup>9</sup> Syed M. Hashemi, "Bangladesh: Aid Dependence and the Structure of Poverty," The Challenge in South Asia: Development, Democracy and Regional Cooperation in South Asia, eds. Ponna Wignaraja, and Akmal Hussain (New Delhi: Sage Publications, 1989) 150.

<sup>10</sup> Mohammad Mohabbat Khan, and Habib Mohammad Zafarullah, "Entrenched Strong Man Rule: The Governmental System in Bangladesh," The Changing Shape of Government in the Asia-Pacific Region, eds. John W. Langford and K. Lorne Brownsey (Halifax: The Institute for Research on Public Policy, 1988) 175.

<sup>11</sup> BIDS (Bangladesh Institute of Development Studies); cited in Stanley Kochanek, "The Rise of Interest Politics in Bangladesh," Asian Survey 36.7 (1996): 711.

<sup>12</sup> Habib Zafarullah, and Muhammad Yeahia Akhter, "Military Rule, Civilianisation, and Electoral Corruption: Pakistan and Bangladesh in Perspective," Asian Studies Review 25.1 (2001): 81.

<sup>13</sup> Stanley Kochanek, "Governance, Patronage Politics, and Democratic Transition in Bangladesh," 533.

<sup>14</sup> One division arose between 'freedom fighters' (those who fought in the war of liberation in 1971) and 'repatriates' (who had been in West Pakistan during the period of liberation and returned to Bangladesh in 1973-74).

<sup>15</sup> The army in Bangladesh has been plagued by unrest, indiscipline and factionalism and breaking of chain of command has been frequent. For an analysis of the causes and nature of these problems, see Ahmed Shafiqul Huque, and Muhammad Yeahia Akhter, "Militarisation and Opposition in Bangladesh: Parliamentary Approval and Public Reaction," Journal of Commonwealth and Comparative Politics 27.2 (1989): 172-184.

<sup>16</sup> Talukder Maniruzzaman, "The Fall of the Military Dictator: 1991 Elections and the Prospect of Civilian Rule in Bangladesh," Pacific Affairs 65.2 (1992): 204.

<sup>17</sup> Talukder Maniruzzaman, "The Fall of the Military Dictator..." 204.

<sup>18</sup> Mohabbat Mohabbat Khan, "State of Governance in Bangladesh," Round Table 370 (2003): 402.

<sup>19</sup> There are some who argue that senior bureaucrats prefer to work with a military dictator rather than under the representatives of people in a democratic set up. See Mohammad Mohabbat Khan, and Habib Mohammad Zafarullah, "Trends in Bangladesh Politics, 1972-88," Round Table 315 (1990).

<sup>20</sup> IMF in fact stopped disbursement for its three-year \$912 million Extended Fund Facility to Bangladesh in 1981 when the ruling BNP government failed to implement the prescribed measures. See Bhuian Monoar Kabir, "Politico-economic Limitations and the Fall of the Military-Authoritarian Government in Bangladesh," Armed Forces and Society 21.4 (1995).

<sup>21</sup> This however, as Sobhan points out, is not to suggest that Bangladesh was a command economy prior to 1982 given that the contribution of public enterprises to GDP did not exceed 15 percent; See Rehman Sobhan, "Structural Maladjustment: Bangladesh's Experience with Market Reforms," 925.

<sup>22</sup> Stanley Kochanek, "The Rise of Interest Politics in Bangladesh," Asian Survey 36.7 (1996): 711.

<sup>23</sup> Rehman Sobhan, "Structural Maladjustment: Bangladesh's Experience with Market Reforms," 927.

- <sup>24</sup> Shelley Feldman, "NGOs and Civil Society: (Un)stated Contradictions," Annals of American Academy of Political and Social Science 554 (1997): 52.
- <sup>25</sup> It must be emphasized that none of elections held under Ershad was considered as free and fair by independent and foreign observers. Ershad was accused of widespread rigging, violence, and electoral corruption and manipulation which greatly undermined the creditability of the results.
- <sup>26</sup> Mohammad Mohabbat Khan, and Syed Anwar Husain, "Process of Democratization in Bangladesh," Contemporary South Asia 5.3 (1996).
- <sup>27</sup> Habib Zafarullah, and Muhammad Yeahia Akhter, "Military Rule, Civilianisation, and Electoral Corruption" 84.
- <sup>28</sup> Stanley Kochanek, "Governance, Patronage Politics, and Democratic Transition in Bangladesh," 533.
- <sup>29</sup> Stanley Kochanek, "Governance, Patronage Politics, and Democratic Transition in Bangladesh," 533.
- <sup>30</sup> Akhtar Hossain, Macroeconomic Issues and Policies: The Case of Bangladesh (New Delhi: Sage Publications, 1996) 289.
- <sup>31</sup> Fahimul Quadir, "The Political Economy of Pro-Market Reforms in Bangladesh: Regime Consolidation through Economic Liberalization?" Contemporary South Asia 9.2 (2000): 206.
- <sup>32</sup> Fahimul Quadir, "The Political Economy of Pro-Market Reforms in Bangladesh" 209.
- <sup>33</sup> Fahimul Quadir, "The Political Economy of Pro-Market Reforms in Bangladesh" 207.
- <sup>34</sup> Stanley Kochanek, "The Rise of Interest Politics in Bangladesh," 706.
- <sup>35</sup> Stanley Kochanek, "Governance, Patronage Politics, and Democratic Transition in Bangladesh," 534.
- <sup>36</sup> The by-election was at Magura district, an area regarded as Awami League stronghold.
- <sup>37</sup> The various actions had a devastating effect on the country's economy with each *hartal* estimated to cost around \$60-\$80 million per day. See Stanley Kochanek, "Governance, Patronage Politics, and Democratic Transition in Bangladesh," 535.
- <sup>38</sup> The February 1996 election resulted in a small turnout and a hollow victory for the BNP.
- <sup>39</sup> Compiled from Akhtar Hossain, "Anatomy of *Hartal* Politics in Bangladesh," Asian Survey 40.3 (2000): 515.
- <sup>40</sup> Rounaq Jahan, ed., Bangladesh: Promise and Performance (London: Zed Books, 2001) 25.
- <sup>41</sup> Harry Blair, "Civil Society, Democratic Development and International Donors," Bangladesh: Promise and Performance, ed. Rounaq Jahan (London: Zed Books, 2001) 189.
- <sup>42</sup> For a discussion on the processes of this convergence, see Akhtar Hossain, "Anatomy of *Hartal* Politics in Bangladesh," 508-529.
- <sup>43</sup> Akhtar Hossain, "Anatomy of *Hartal* Politics in Bangladesh," 509.
- <sup>44</sup> Mohammad Mohabbat Khan, "State of Governance in Bangladesh," 391.
- <sup>45</sup> Both Sheikh Hasina, daughter of Sheikh Mujibur Rahman and Khaleda Zia, widow of General Ziaur Rahman have persistently tried to glorify the past leaders and sought to use their names to gain political advantage.
- <sup>46</sup> Akhtar Hossain, "Anatomy of *Hartal* Politics in Bangladesh," 529.
- <sup>47</sup> One of the main differences between Awami League and BNP on the ideological front is in the interpretation of identity with the former tending to identify themselves with 'Bengali' culture and ideology in contrast to the latter's 'nationalist/Islamist' stance. Awami League for its part has been trying to divide the nation between 'pro-liberation' and 'anti-liberation' forces drawing upon roles in the liberation struggle. BNP, on the other hand, accuses Awami League of surrendering the country's sovereignty to India with its 'pro-Indian' position.
- <sup>48</sup> Mohammad Mohabbat Khan, "State of Governance in Bangladesh," 396.
- <sup>49</sup> See Stanley A. Kochanek, "Governance, Patronage Politics, and Democratic Transition in Bangladesh," 531.
- <sup>50</sup> Bangladesh in fact has the dubious distinction of featuring near the top in the index of most corrupt countries in the world.
- <sup>51</sup> Mohabbat Mohabbat Khan, "State of Governance in Bangladesh," 396.
- <sup>52</sup> Imtiaz Ahmed, "Governance and the International Development Community: Making Sense of the Bangladesh Experience," Contemporary South Asia 8.3 (1999): 295.
- <sup>53</sup> See Mohammad Mohabbat Khan, and Habib Mohammad Zafarullah, "Entrenched Strong Man Rule: The Governmental System in Bangladesh," 171-198.
- <sup>54</sup> Rehman Sobhan, The Political Economy of the State and Market in Bangladesh (Dhaka: Centre for Policy Dialogue, 2002) 9.

- <sup>55</sup> Azizur Rahman Khan, "Economic Development: From Independence to the End of the Millennium," Bangladesh: Promise and Performance, ed. Rounaq Jahan (London: Zed Books, 2001) 249-250.
- <sup>56</sup> Adapted from Azizur Rahman Khan, "Economic Development: From Independence to the End of the Millennium," Bangladesh: Promise and Performance, ed. Rounaq Jahan (London: Zed Books, 2001) 248.
- <sup>57</sup> See Fahimul Quadir, and M. Mahbubur Rahman Morshed, Poverty and Policy Coherence: Canada's Development Cooperation in Bangladesh (Ottawa: North South Institute, 2001) 7-8.
- <sup>58</sup> It is estimated that Bangladesh requires around 7-8% growth per year to offset the population increase.
- <sup>59</sup> Adapted from Azizur Rahman Khan, "Economic Development: From Independence to the End of the Millennium," 250.
- <sup>60</sup> See Mustafa K. Mujeri and Salehuddin Ahmed, "Poverty and Human Resource Development," The Bangladesh Economy in Transition, ed. M.G. Quibria (Delhi: Oxford University Press, 1997) 131-134.
- <sup>61</sup> For a discussion see Akhtar Hossain, Macroeconomic Issues and Policies and Rehman Sobhan.
- <sup>62</sup> Adapted from Mustafa K. Mujeri and Salehuddin Ahmed, "Poverty and Human Resource Development," The Bangladesh Economy in Transition Ed. M.G. Quibria (Delhi: Oxford University Press, 1997) 133.
- <sup>63</sup> Fahimul Quadir, and M. Mahbubur Rahman Morshed, Poverty and Policy Coherence: Canada's Development Cooperation in Bangladesh 9.
- <sup>64</sup> See Rehman Sobhan, The Political Economy of the State and Market in Bangladesh.
- <sup>65</sup> Akhtar Hossain, Macroeconomic Issues and Policies: The Case of Bangladesh (New Delhi: Sage Publications, 1996) 201.
- <sup>66</sup> Economic services include expenditure on agriculture, industry and economic overheads such as roads and communication.
- <sup>67</sup> Debapriya Bhattacharya, "A Tale of Two Sisters: Two Decades of the World Bank and the International Monetary Fund in Bangladesh," Contemporary South Asia 5.2 (1996).
- <sup>68</sup> Bhattacharya, "A Tale of Two Sisters"
- <sup>69</sup> Bhattacharya, "A Tale of Two Sisters"
- <sup>70</sup> Bhattacharya, "A Tale of Two Sisters"
- <sup>71</sup> Bhattacharya, "A Tale of Two Sisters"
- <sup>72</sup> Binayak Sen, "Rethinking Anti-Poverty," Changes and Challenges: A Review of Bangladesh's Development 2000 (Dhaka: Centre for Policy Dialogue, 2000) 121.
- <sup>73</sup> For the analysis of the processes and outcomes of the rise of business and industrial class in Bangladesh, see among others, Talukder Maniruzzaman, "The Fall of the Military Dictator: 1991 Elections and the Prospect of Civilian Rule in Bangladesh," Pacific Affairs 65.2 (1992): 203-224; and Stanley Kochanek, "The Rise of Interest Politics in Bangladesh," Asian Survey 36.7 (1996): 704-722.
- <sup>74</sup> Binayak Sen, "Rethinking Anti-Poverty," Changes and Challenges: A Review of Bangladesh's Development 2000 Centre for Policy Dialogue (Dhaka: CPD, 2000) 119.
- <sup>75</sup> UNDP, Human Development Reports, various years. Adapted from Fahimul Quadir, and M. Mahbubur Rahman Morshed, Poverty and Policy Coherence: Canada's Development Cooperation in Bangladesh (Ottawa: North South Institute, 2001) 9.
- <sup>76</sup> For a discussion on this point, see Binayak Sen, "Rethinking Anti-Poverty," Changes and Challenges: A Review of Bangladesh's Development 2000 Centre for Policy Dialogue (Dhaka: CPD, 2000) 115-139.
- <sup>77</sup> Binayak Sen, "Rethinking Anti-Poverty," Changes and Challenges: A Review of Bangladesh's Development 2000 Centre for Policy Dialogue (Dhaka: CPD, 2000) 132-133.
- <sup>78</sup> World Bank, Bangladesh: From Counting the Poor to Making the Poor Count (Washington D.C: World Bank, 1999) 59.
- <sup>79</sup> Some of these societies, business or professional organizations are the Federation of Bangladesh Chamber of Commerce and Industries (FBCCI), Bangladesh Garments Exports Manufacturers Association (BGEMA), etc.
- <sup>80</sup> See Peter R. Davis, and J. Allistar McGregor, "Civil Society, International Donors and Poverty in Bangladesh," Commonwealth and Comparative Politics 38.1 (2000): 47-64.
- <sup>81</sup> Peter R. Davis, and Allister McGregor, "Civil Society, International Donors and Poverty in Bangladesh," 55.
- <sup>82</sup> David J. Lewis, "NGOs, Donors, and the State in Bangladesh," Annals of American Academy of Political and Social Science 554 (1997): 35.
- <sup>83</sup> David J. Lewis, "NGOs, Donors, and the State in Bangladesh," 35.

- <sup>84</sup> Muhammad Shamsul Huq, and Chowdhury Rafiqul Abrar, Aid, Development and Diplomacy: Need for an Aid Policy (Dhaka: University Press Limited, 1999) 26.
- <sup>85</sup> NGO Affairs Bureau was set up in 1990 by the Government of Bangladesh.
- <sup>86</sup> World Bank, Pursuing Common Goals: Strengthening Relations between Government and NGOs in Bangladesh (Dhaka: University Press Limited, 1996).
- <sup>87</sup> See World Bank, Pursuing Common Goals.
- <sup>88</sup> World Bank, Pursuing Common Goals 5.
- <sup>89</sup> For example, BRAC has more than 12,000 staff members and its rural development programme reached 1.42 million households in 1994; Proshika has mobilized 773,400 people in 44,000 groups across the country and claims to have reached 4 million individuals.
- <sup>90</sup> See among others, Sarah White "NGOs, Civil Society, and the State in Bangladesh: The Politics of Representing the Poor," Development and Change 30 (1999): 319 and David J. Lewis, "NGOs, Donors, and the State in Bangladesh."
- <sup>91</sup> NGO Affairs Bureau, Bangladesh; cited in World Bank, Bangladesh: From Counting the Poor to Making the Poor Count, (Washington D.C.: World Bank, 1999) 60.
- <sup>92</sup> Azizur Rahman Khan, "Economic Development: From Independence to the End of the Millennium," 254.
- <sup>93</sup> Elizabeth Hartmann, and James K. Boyce, "Needless Hunger: Poverty and Power in Rural Bangladesh," The Political Economy of Rural Development: Peasants, International Capital, and the State, ed. Rosemary E. Galli (Albany: State University of New York Press, 1981) 177.
- <sup>94</sup> Adapted from Azizur Rahman Khan, "Economic Development: From Independence to the End of the Millennium," 252.
- <sup>95</sup> With no or less than half an acre of land.
- <sup>96</sup> Cited in Fahimul Quadir, and M. Mahbubur Rahman Morshed, Poverty and Policy Coherence: Canada's Development Cooperation in Bangladesh 9.
- <sup>97</sup> Mosharaff Hossain, The Assault that Failed: A Profile of Absolute Poverty in Six Villages of Bangladesh (Geneva: UNRISD, 1987) 21.
- <sup>98</sup> See M.Q. Zaman, "Agrarian Structure, Rural Development and Class Formation in Bangladesh," Bangladesh: Politics, Economy and Society, ed. Chowdhury E. Haque (Winnipeg: University of Manitoba, 1987).
- <sup>99</sup> See among others, Kramsjø, Bosse, and Geoffrey D. Wood. Breaking the Chains: Collective Action for Social Justice among the Rural Poor in Bangladesh (London: Intermediate Technology Publications, 1992).
- <sup>100</sup> BIDS (Bangladesh Institute of Development Studies) 1996, UNDP Human Development Report 1996 cited in Muhammad Shamsul Huq, and Chowdhury Rafiqul Abrar, Aid, Development and Diplomacy: Need for an Aid Policy (Dhaka: University Press Limited, 1999) 63.
- <sup>101</sup> Crook and Manor 86.
- <sup>102</sup> Bangladesh is among the very few countries where women do not have a longer life expectancy than men. As well, the maternal mortality rate is one of the highest in the world at six per thousand.
- <sup>103</sup> 1995-96 Labour Force Survey, Bangladesh Bureau of Statistics; cited in World Bank, Bangladesh: From Counting the Poor to Making the Poor Count, Washington D.C.: The World Bank, 1999.
- <sup>104</sup> One level consistent of a number of village based primary cooperatives federated into a *thana*-based *Thana* Central Cooperative Association (TCCA).
- <sup>105</sup> David J. Lewis, "Overview: NGO-Government Interaction in Bangladesh," Non-Governmental Organizations and the State in Asia: Rethinking Roles in Sustainable Agricultural Development, eds. John Farrington, and David J. Lewis (London: Routledge, 1993) 49-50.
- <sup>106</sup> David J. Lewis, "Overview: NGO-Government Interaction in Bangladesh," 50.
- <sup>107</sup> Shakeeb Adnan Khan, The State and Village Society: The Political Economy of Agricultural Development in Bangladesh (Dhaka: University Press Limited, 1989) 40.
- <sup>108</sup> Kramsjø, Bosse, and Geoffrey D. Wood. Breaking the Chains.
- <sup>109</sup> C.A.F. Dowlah, "Bangladesh," Agriculture, Trade, and the WTO in South Asia, ed. Merlinda D. Ingco (Washington, D.C.: The World Bank, 2003) 38.
- <sup>110</sup> Mosharaff Hossain, The Assault that Failed 18.
- <sup>111</sup> Mosharaff Hossain, The Assault that Failed 18.
- <sup>112</sup> Adapted from C.A.F. Dowlah, "Bangladesh," Agriculture, Trade, and the WTO in South Asia, ed. Merlinda D. Ingco (Washington, D.C.: The World Bank, 2003) 39.

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- <sup>113</sup> See Atiur Rahman, Peasants and Classes: A Study in Differentiation in Bangladesh (Dhaka: University Press Limited, 1986).
- <sup>114</sup> Akhtar Hossain, Macroeconomic Issues and Policies: The Case of Bangladesh (New Delhi: Sage Publications, 1996) 223.
- <sup>115</sup> See David J. Lewis, "Overview: NGO-Government Interaction in Bangladesh," Non-Governmental Organizations and the State in Asia: Rethinking Roles in Sustainable Agricultural Development, eds. John Farrington, and David J. Lewis (London: Routledge, 1993) 49-52.
- <sup>116</sup> See Harry Blair, "Civil Society, Democratic Development and International Donors," Bangladesh: Promise and Performance, ed. Rounaq Jahan (London: Zed Press, 2001) 181-217.
- <sup>117</sup> It is interesting to note that due to its importance in managing the state, bureaucracy has been a central actor in all equations of the political economy in Bangladesh. Whilst still exercising unequivocal authority, the role of military since 1990 has been somewhat subdued.
- <sup>118</sup> See Ayesha Jalal, Democracy and Authoritarianism in South Asia 140-156.
- <sup>119</sup> Shakeeb Adnan Khan, The State and Village Society 145.
- <sup>120</sup> Harry Blair, "Civil Society, Democratic Development and International Donors," 189.
- <sup>121</sup> Mohammad Mohabbat Khan, and A.K. Monaw-war Uddin Ahmed, "Dimensions of Governance," The Bangladesh Economy in Transition, ed. M.G. Quibria (Delhi: Oxford University Press, 1997) 305.
- <sup>122</sup> Sarah White, "NGOs, Civil Society, and the State in Bangladesh" 319.

## **Chapter Four**

### **Decentralization in Bangladesh**

#### **4.1 Introduction**

Decentralization has always been a much-debated topic in Bangladesh. Since independence, decentralized local government has been identified and upheld as the one of the major instrument of providing resources to the majority of the people as well as enhancing a democratic political system. With pervasive rural poverty and one of the highest population densities in the world, effective local governments are considered imperative for the country and development approaches have sought to promote local level institutions with participation as a key element within a decentralized framework.

The chapter is intended to provide an overview of evolution of the major decentralization policies in Bangladesh.<sup>1</sup> It will begin with a brief account of the pre-independence history of decentralization efforts in the region as well as a broad outline of the structure of the local government. Next, decentralization policies in the first decade of the country will be summarized. It will be followed by an analysis of two decades of decentralization experience beginning in 1982 until 2001 in the backdrop of sweeping political and economic changes at the national level. The section will analyze local government reforms in the period in light of their politico-administrative implications focusing on the two key aspects of autonomy and participation. In particular, it will illustrate the different composition, functions, and operational modes as part of the reforms undertaken by the various regimes. The purpose is to identify the dominant trends and the underlying

processes shaping the decentralization policies by analyzing the extent of participation by the greater majority of the rural population in the development process.

## **4.2 History of Local Government**

Decentralization has a long history in Bangladesh.<sup>2</sup> The beginnings of local government can be traced back to the twelfth century B.C. when villages were like tiny republics, each with its own unique way of managing governance.<sup>3</sup> Even though these entities were placed under some degree of central authority, they were by and large able to preserve their autonomous character. There were several variants of local government structure; in some cases, large kingdom altered the status quo of local self-governance while in others a form of hereditary rule under control of distant empires emerged.

For the British Empire who ruled the Indian sub-continent for almost 200 years (1757-1947), the main objective with regard to local governments was to collect revenues and strengthen their grip throughout the whole region. To that end, the feudal property law was enacted in 1973 which replaced indigenous self-rule with the reign of landlords. By creating a loyal landed class known as *zamindars*, the colonial system tore apart the rural organizations and agrarian structure in Bengal and provided the central regime with a sound political support base. The advent of British imperial rule thus gradually deinstitutionalized the local government system.

For the overriding reason of protecting and sustaining the colonial interests, a number of institutions and acts were introduced between 1870 and 1947, notably, the *Chowkidary*



*Panchayet* Act (1870), the Local Self-Government Act (1885) and the Bengal Village Self-Government Act (1919).<sup>4</sup> The first local government reform regime was established in 1870 with the revival of indigenous system but remodeled to suit colonial governance.<sup>5</sup> A system more suitable to the local conditions was in place through the 1885 and 1919 Acts, which put together a three-tiered structure of rural areas. However, these bodies lacked autonomy and resource and were controlled by imperial bureaucrats. As an imperial power, the British had little interest in understanding and appreciating the indigenous local self-government system.<sup>6</sup> As a result, all the proposed structures designed to suit the imperial interests were introduced and 'efforts during this period can only be described as piecemeal, narrow and restrictive.'<sup>7</sup> In the attempts to maximize revenue collection and maintain law and order, the need for effective local government to serve rural people was of marginal importance for the British colonial administration.

The colonial system continued by and large under Pakistan rule (1947-1971) and the formation of Pakistan in 1947 did not bring any substantial change in the system until the military rule of General Ayub Khan who created a four-tier local government system termed 'Basic Democracy' in 1959. The new scheme replaced the old union board system of local government by putting together a carefully orchestrated system combining direct elections at the village level with successively more indirect representations at the higher level. Only the lowest unit had some representative character. Local councilors had the dual role of serving the community and electing the country's president as well as members of national and provincial assemblies. It was the latter role which assigned great importance to the 'basic democrats.'

A convenient system of state patronage thus ensued with political support and misappropriation of development funds. The introduction of a structure of indirect democracy inevitably led to patronization of the union council members and eventually institutionalized the system of political bribery and corruption. While *zamindars* tied to colonial regime got a cut of the money on its way up from peasants to distant colonial administration, the flow of direction was opposite here- basic democrats' allegiance was purchased through his getting a cut on the money on its way down to peasants.<sup>8</sup>

The programme of the military government has been criticized by analysts who perceive the system as a move towards further centralization. Although the regime realized the need for popular participation, it was equally concerned to keep the rural order under careful control. Blair terms the Basic Democracy a political ploy to extend the authority of the regime throughout the whole country.<sup>9</sup> It 'not only perpetuated bureaucratic dominance but created mechanisms to enlarge and intensify such dominance further.'<sup>10</sup>

#### **4.3 Local Government Structure in Bangladesh**

Bangladesh is a unitary state. Next to the national level, the government is divided into six administrative divisions. The divisions are in turn sub-divided into districts or *zilas*, the focal point of administrative system that has been in place since colonial times. *Zilas* are further broken down into smaller units depending on whether the area is urban or rural. For the rural or regional administration, the concern in the study, the following basic hierarchy is followed: *gram* (village), union, *thana*<sup>11</sup> or *upzila* (sub-district). Every union is composed of several villages and around ten unions constitute a *thana* or *upzila*.

Traditionally there has been a blending of central government field administration and local government in Bangladesh. For the field administration, there is a four-layer structure below the ministerial level including division, district, sub-division,<sup>12</sup> and *thana*. The division, headed by a commissioner, does not provide direct government services but instead reviews and approves development programmes. Deputy Commissioner heads the district, for long a cornerstone of the colonial system. It encompasses a wide range of activities including land revenue administration, correctional and development administration and contains line officials from government ministries and supervises delivery of services to rural areas. Central government services were provided primarily at the *thana* (later *upzila*) level at which each service ministries like agriculture, health, and livestock maintain officers.

Table 4.1: Administrative structure in Bangladesh.<sup>13</sup>

Administrative unit	Number in the country	Average area (Square mile)	Average population per unit
Division	6	11,459	22 million
District ( <i>zila</i> )	64	895	1.7 million
<i>Thana/upzila</i>	495	117	224,697
Union	4600	13	24,686
<i>Mouza</i> (Administrative village)	59,990	1	1,832

Next to the field administration, there was a three-tiered rural local government system. The district was to have a council or *parishad*, however elections are yet to be held and the deputy commissioner usually acts as the chairman. *Thana*, the tier below district in local government hierarchy, also did not contain a truly local self-government. *Thana*

*parishad* included both administrative officers of central government and elected chairman of union *parishad*, the next tier.<sup>14</sup> This level lacked a coordinated rural development efforts in the absence of an elected body and bureaucratic dominance. The only truly self-government at the local level in rural areas was the union *parishad* which was headed by an elected chairman and included nine popularly elected members. The local governments provided minimal development oriented services but rather concentrated mostly on maintaining facilities, providing local justice, and minor protective services.<sup>15</sup> In sum, local government in Bangladesh has persistently been dominated by central government officers and lacked a developmental purpose; it was essentially no better than an extended arm of the centre.

Given its long history of struggle for freedom and democracy, Bangladesh government realized the importance and necessity of developing a democratic system to facilitate people's participation in the political and developmental process and local governance was considered integral part of this effort from the very beginning. Local government was embedded in the 1972 Constitution of Bangladesh; it provided for elected local governments at every level. Article 11 of the Constitution reads, 'people will effectively participate through their elected representatives at all levels of administration to ensure a truly democratic system.'<sup>16</sup> As well, Article 59 stipulates that:

“(1) Local Government in every administrative unit of the Republic shall be entrusted to bodies, composed of persons elected in accordance with law.

(2) Everybody such as is referred to in clause (1) shall, subject to this Constitution and any other law, perform within the appropriate administrative unit such functions as shall be prescribed by Act of Parliament, which may include functions relating to (a) Administration; (b) the maintenance of public

order; (c) the preparation and implementation of plans relating to public services and economic development.”

Article 60 of the Constitution provided for the powers of local government bodies:

“For the purpose of giving full effect to the provisions of Article 59, Parliament shall, by law, confer powers on the local government bodies referred to in that article, including power to impose taxes for local purposes, to prepare their budgets and to maintain funds.”

The Constitution therefore provides adequate opportunity for the lawmakers to develop viable self-governing local government institutions. It does not however specify the number of tiers nor it stipulates the functions of individual local government bodies. It is also relevant at the outset to point out that local government elections are not held on political party ticket; however, candidates have tended to associate themselves with dominant political parties over the years.

#### **4.4 Decentralization in the First Decade**

##### **4.4.1 Reforms under Awami League**

The administrative structure that Bangladesh inherited at independence was mainly elitist in composition and insulated from people; it ‘exhibited all the cardinal features of colonial bureaucracies.’<sup>17</sup> The legacies of colonialism as well as the Pakistan era are omnipresent in most local government structures and reforms introduced in independent Bangladesh.

At independence, Bangladesh inherited from Pakistan a four-tier rural local government system with a council at each of the following administrative levels- division, district, *thana*, and union. District and union councils, as mentioned earlier, owed their origin to the British and have enjoyed executive powers, performing regulatory, administrative, and municipal functions since their inception in the late nineteenth century.<sup>18</sup> On the other hand, divisional and *thana* councils did not possess any executive authority and were responsible for coordinating activities at lower level councils and promoting rapport between local councils and government departments. Of the four tiers, only the union had elected members and can be termed as a representative body; while the other three were mainly bureaucratic in nature being composed of two categories of members- union council chairmen and locally posted central government officials. Although the union council chairmen constituted half the members of these councils, they could only play second fiddle to the bureaucracy, which was armed with wide powers to restrict the influence of elected representatives over local policy making and administration.<sup>19</sup> In sum, local government in immediately after the liberation war was no better than an extended agency of the centre.

The Awami League government made bureaucracy one of the principal targets of its attacks and sought initially to curb its powers and make it subservient to the ruling party's will.<sup>20</sup> The formation of Administrative and Services Reorganization Committee (ASRC) (1972-73) supplied impetus and credence to the necessity of reforms. Sheikh Mujib, the country's unquestionable leader at the time, sought to bring structural changes in local government system with each union *parishad* reorganized into three wards with

provision of three members to be directly elected from each of these wards.<sup>21</sup> As well, the chairman and the vice-chairman for the *parishad* were elected directly. The Awami League government dissolved the inherited system. However, union and district councils were soon revived, albeit with different names- union *parishad* and *zila parishad*. Functional boundaries of the union *parishad* continued to be the same as Basic Democracy system with very little revenue generating powers. The *Thana* Development Centres and *Zila* Boards were headed respectively by the Circle Officer (Development) and Deputy Commissioner and were responsible for supervising development programmes while monitoring and coordinating among the different tiers.

Elections in for a new system of union *panchayet*, later renamed union *parishad*, were held in December 1973 and an average of four persons contested the chairmanship of each *parishad* while the voter turnout was 54 percent.<sup>22</sup> It was anticipated that elected bodies would soon be set up at *thana* and district level. As it turned out, despite such an enthusiastic rural response to local democracy, the Awami League did not hold elections to the higher-level councils nor did it take any measures to devolve authority and responsibility to any of them.

Awami League, which is essentially a petty bourgeoisie organization drawing its support from rural elites, consciously avoided any radical reform in local government which would antagonize their supporters. While reasons for not holding elections at *thana* or district levels are unclear, one possible explanation is the poor performance of Awami League candidates in the union *parishad* elections.<sup>23</sup> In general, the decentralization

programme did not receive any serious attention and the various councils at the local level were allowed to languish.

In the midst of grave political and economic crises, the Awami League government, following the abolishment of parliament and introduction of one-party rule at the centre, sought to establish control over the periphery by drastically 'reforming' local government structure.<sup>24</sup> In addition to continuing with the existing tier-based elected local government system, the regime planned to establish an authoritarian decentralized local administration and compulsory village cooperatives.<sup>25</sup> A highly centralized system within a one-party framework to ensure total control over local governments was established. Under the District Administration Act promulgated in March 1975, the existing subdivisions were upgraded to districts, each of which would be governed by Member of Parliament, essentially from the single national party BAKSAL. Termed as the 'second revolution,' the move also replaced the deputy commissioner with a centrally appointed governor in 61 districts who would exercise supervision and control over regulatory and development functions of the district and only be accountable to the President. The whole system was top-down with little or no input from the local level and was intended to work under central- in effect presidential control.

However, in August 1975, before it could take off, the army overthrew the regime and terminated the presidential system. Notwithstanding the many problems faced by the first government, the situation was conducive for a comprehensive overhaul of the local government system with a democratically elected government in power. However, the



anticipated change did not materialize. The government resurrected the old system with a few insignificant changes being made. As was the case pre-liberation years, except for the union *parishad*, all the other tiers were bureaucratically controlled.

#### **4.2.2 Reforms under General Zia**

The military government of General Ziaur Rahman pledged to reinvigorate the issue of decentralization by strengthening the local government structure. Local Government Ordinance 1976, often regarded as the Constitution of local government system in Bangladesh, clearly spelt out the functions of local government with three tiers- union, *thana*, and *zila* (district). A striking departure from the Ayub and Mujib models was the new *zila parishad* for which there were to be direct elections.<sup>26</sup> Zia redesigned the local government bodies by granting the status of body corporate with functions classified as corrective, financial, developmental, adjudicatory and welfare.<sup>27</sup>

The degree of union *parishad*'s scope and representation was enlarged with a directly elected chairman, nine members from each of the three wards. Union *parishad* had to undertake civic, police, defense, revenue and general administration and development functions. *Thana parishad* functioned as non-elective body although all the union *parishad* chairmen under the *thana* were members. It was nonetheless bureaucratic in nature with a number of government officials representing national line ministries among the members. In addition, the appointment of sub-divisional officer (SDO) as chairman and *thana* circle officer as vice chairman only enhanced bureaucratic dominance. *Thana*

*parishad* had no power to generate revenue. *Zila parishad*, the highest tier was designed to be both elected and nominated body with elected members forming the greater share.

Elections to union *parishad* were held once again in January 1977 and aroused considerable enthusiasm and interest with a high voter turnout of about 66 percent.<sup>28</sup> However, the process helped to induct the rural elites in the local level power structure and rural development funds were channeled to union *parishad*. The councilors elected both chairman and members were subsequently won over by the bureaucrats and the patronage system under the guise of development activities. The union *parishad*'s leaders in turn became the regime's 'rural votes' bank.'<sup>29</sup> It provided Zia with massive support in the national referendum called in May 1977.

On the other hand, *zila parishad* however was never operationalized and district level administration continued to be dominated by bureaucrats. Contrary to promise elections at *zila* level never took place, leaving representatives of various government departments to run the council and supervise developmental functions. This reluctance to hold elections has been attributed to the government feeling threatened by a possible opposition takeover in directly held elections. Like General Ayub, Zia used the rural administrative organization of union *parishad* and the state machinery to create a civilian support base for his regime. While the revival of *zilla* and union *parishads* was considered a step forward in the right direction, lack of genuine effort by the regime resulted in the maintenance of the status quo.

In 1976, the government formulated a new programme of based on the concept of grassroots participation known as *gram sarker* (village government). The scheme as the name suggests was completely based on villages and was designed to enable direct participation and involvement of different sections of village society in poverty alleviation, literacy programmes, population control, cooperatives, law and order and other activities. The *gram sarker* management, being close to village residents was more easily accessible and accountable. The Zia government clearly saw a major role for *gram sarker* which were linked with union, *thana* and district level institutions to undertake rural development planning and implementation at villages, ensure participation of various interest groups and organize voluntary labour activities. The programme was innovative and had the potential to involve people from different economic backgrounds in local development.

With *gram sarker* in place, Zia moved towards the formation of *swanivar gram sarker* (SGS) or self-sufficient village governments in April 1980. The micro-government system was an amalgamation of two experiments, the *swanirvar andolon* (movement for self-reliance) and the existing *gram sarker* with the aim of achieving a breakthrough in agricultural production along with reduction of population growth. The attempt focused on the grassroots, with aim to make villages the centre of development with emphasis on self-reliance. The *gram shava* (village assembly) constituted a *gram pradhan* (village head), eleven village ‘ministers,’ representing various occupational/functional interest groups. The village councils were given the mandate to ensure participation and representation of people from all walks of life. Participation by marginalized groups like

women and peasants were ensured by nomination of two members from each group, a process otherwise problematic in the rural context of Bangladesh.

Zia believed that villages were the most crucial units of development and administration. The village-level development effort marked the first time the, an explicit recognition of class in rural areas. Both the village-based schemes however were criticized as being orchestrated to strengthen the ruling party's grip in the countryside and to extend its influence to the villages. The use of grassroots governance system by the BNP regime for partisan political purposes saw the *gram sarker* establishing a vested alliance of rural elites patronized by central state.

As well, as the *swanirvar gram sarkar* were linked with other levels of government, the 'control of the nation government over the SGS was extensive.'<sup>30</sup> Structurally and functionally, these units were subordinate to central government and could not operate freely without bureaucratic influence.<sup>31</sup> Having no revenues of its own, *gram sarker* failed to function properly. As Jalal points out, 'like Ayub's basic democracies system these local governments were controlled by the bureaucracy, the only difference being that these were village governments rather than union-level governments.'<sup>32</sup> Nevertheless *gram sarker* was the first attempt to challenge the landed elites and integrate the disadvantaged groups in the process of local government and to delineate class and group distinctions in the rural society.<sup>33</sup> Therefore despite it's the prospect in bringing about a participatory grassroots development process, the *gram sarker* did not get the adequate time consolidation and further growth because of change in government in 1982.

## **4.5 Reforms under Military Regime of Ershad**

### **4.5.1 Formation of CARR**

From the very beginning, the military government wanted to depict itself as a ‘reformist’ one. Shortly after declaration of martial law in March 1982, General Ershad reiterated his intentions to ‘take the government nearer to the people’ through a process of political and administrative reforms. High-powered committees were formed to look into administrative and judicial systems, land reform and education policies.

Launching a new administrative decentralization policy was at the core of the reform agenda of the martial law government. To that end, a high-powered planning body was formed- Committee for Administrative Reorganization/Reform (CARR). The Deputy Chief Martial Law Administrator Rear Admiral M.A. Khan chaired the ten-member committee. CARR was directed to review the structure and organization of the existing civilian administration and to recommend appropriate, sound, and effective administration system based on devolution of authority and responsibility. Broadly, CARR’s terms of reference were, (i) to review the structure and organization of central government’s administration serving rural areas, and (ii) to recommend changes in this system to bring administration ‘nearer to the people.’ CARR submitted its report in June 1982 in which it identified several major inadequacies in the existing politico-administrative system.

CARR recommendations included the following:

- creation of representative bodies with wide powers and supporting bureaucratic staff at two sub-national levels of *zila* and *upzila* (sub-district).
- establishment of a process where major function of each of these sub- national entities was to undertake developmental activities within its respective jurisdiction through a process of local level planning without governmental intervention.
- upgrading the quality of *thana* administration, establishing local self-government at district, *thana* and union levels, abolishing the sub-division.

The CARR recommendations were well received by the government. On the basis of these recommendations, 460 existing *thanas* were upgraded to *upzilas*, with councils under directly elected chairman giving them it a democratic look. In total 461 *upzila parishads* were formed in the country with the last one in 1990.<sup>34</sup> The focus of attention shifted from villages to *thana/upzila* level and this increased the power of and authority of local government considerably. One of the most important characteristics of the *upzila* system was the retention of the regulatory and administrative functions by the central government while the residual development functions were transferred to the *upzila parishad*.<sup>35</sup> Moreover, the *upzila parishad* were given funds for development including the responsibility for preparing five-year and annual development plans. As part of the decentralization programme, two Ordinances and five Acts were passed.<sup>36</sup>

*Upzila parishad* was characterized by:

- A democratically elected chairman as head of *upzila parishad*.
- The elected chairman of union *parishad* was to be representative member of *upzila parishad*. There were also three nominated women members. These members had voting rights.
- A large number of activities including agriculture, healthcare, education, infrastructure development, and sanitation were transferred to *upzila parishad*.
- *Upzila parishad* were empowered to raise finances from a number of local sources.
- Senior officials from various departments posted at the *upzila* level were made accountable to the *upzila parishad*.
- The technical staff of *upzila* was greatly expanded to 250 and government department personnel like engineering, livestock, etc. were upgraded in qualification and training.<sup>37</sup>
- *Upzila parishad* also comprised of the heads of fourteen government departments working at that level.<sup>38</sup>
- *Upzila* was declared as the focal point of local administration and development. It was authorized to plan and implement projects without requiring approval from higher authorities.

The *upzila parishad* had jurisdiction over the following areas:<sup>39</sup>

- All development activities at the *upzila*-level; formulation of *upzila* level development plans and programmes and implementation, monitoring and evaluation thereof.

- Promotion of social development programmes particularly healthcare, family planning and family welfare.
- Promotion and encouragement of employment-generating activities.
- Planning and execution of all rural public works programmes.
- Promotion of livestock, fisheries, forestry, and agricultural activities for maximizing production.

Besides *upzila parishad*, other tiers of the local government also faced restructuring. The military regime, following the footsteps of its predecessors abolished the *gram sarker* established by Zia government. At the time of Ershad takeover, union *parishad* was still in place and their chairmen serving as members of *thana parishads*. *Thana parishads* were in turn chaired by sub-divisional officer and vice-chaired by circle officer (development), the administrative head at the *thana* level. Although the structure at union level remained unchanged, their status and power were reduced. Ershad's local government system thus consisted of three tiers: union, *upzila* and *zila parishads*.

At the local level, *upzila* was the only unit where a representative body existed alongside a centrally controlled bureaucratic apparatus. The representative body (*upzila parishad*) consisted of a directly elected chairman, chairmen, also elected, representing union *parishads* located within the *upzila*, nominated members including women and a representative of the *upzila* central cooperative association. In addition, there are members of the bureaucracy at that level who have voice but no vote in council meetings. According to Khan and Zafarullah development administration was the *raison d'être* of



the *upzila* system.<sup>40</sup> The functions of *upzila parishad* encompass formulation, implementation, monitoring and evaluation of all development projects and coordination of the activities of officials of line ministries located at that level.

Table 4.2: Administrative and local government hierarchy in Bangladesh before and after 1982:<sup>41</sup>

Level	<u>Before 1982</u>			<u>After 1982</u>		
	No. in country	Chief Administrator	Local govt.	No. in country	Chief Administrator	Local govt.
Division	4	Commissioner	-	4	Commissioner	-
District	21	Deputy	<i>Zila</i>	64	Deputy	<i>Zila</i>
		Commissioner	<i>Parishad</i>		Commissioner	<i>Parishad</i>
Sub-division	71	Sub-divisional Officer	-	0	Abolished	-
<i>Thana/ Upzila</i>	474	Circle Officer	<i>Thana Parishad</i>	460	<i>Upzila</i> Executive Officer	<i>Upzila Parishad</i>
Union	4354		Union <i>Parishad</i>	4354	-	Union <i>Parishad</i>

With all these features, *upzila parishad* marked a significant step forward in decentralized governance in Bangladesh. It was the first time in the history of local government that elected body was established higher than union level. Although there was no difference between *thana* and *upzila* in terms of area and population, two tiers differed significantly in organizational and functional features. Importantly, the elected chairman was placed over government officials and *parishad* decisions were taken with votes from elected members with field administration posted only having non-voting membership. These measures facilitated people's representatives to administer local

development efforts. The government also provided substantial amount of money *upzilas* under development assistance funds. The *upzila* had the provision to plan, approve and implement development projects. The purpose of local bodies was more clearly defined and democratic principles were extended to cover higher tiers namely *upzila*.

The number and range of functions allocated to *upzila parishad* far exceeded those entrusted to its predecessors, the *thana parishad*. *Upzilas* differed from *thanas* in terms of services rendered and the quality of central government personnel posted. As well, the financial resources available to *upzila* were much larger in scope both in terms of allocation and augmentation. The appointment of a high-ranking *Upzila Nirbahi Officer* (Executive Officer) was an important step towards equipping the council with effective powers. An increased number of trained departmental officers were also placed in *upzilas* with some positive effects on rural service delivery.

Moreover, a permanent National Implementation Committee for Administrative Reorganization/Reform (NICARR) was also assigned with the responsibility of directing, overseeing, and coordinating the implementation of CARR's recommendations. To the protagonists of reforms, CARR's recommendations represented 'a big leap towards a new governmental system in rural Bangladesh.'<sup>42</sup> In introducing the reform, General Ershad declared that 'the process and system of future democratization of the country would be built through the direct participation of the people.' He further proclaimed the new policy was an 'epoch-making step in the history of democracy in the world.'<sup>43</sup>

#### 4.5.2 Evaluation of Ershad's Policy

##### Central-local Relations

The functions which were transferred *upzila parishads* included agriculture, agricultural extension, input supply and irrigation; primary education; health and family planning; rural water supply and sanitation; Rural Works and Food for Work programmes; disaster relief; cooperatives and cooperatives based rural development programmes; and fisheries and livestock development.<sup>44</sup> The most important responsibility of the *upzila parishad* however was undoubtedly planning, promotion and execution of development programmes within the *upzila*. The councils were assigned with responsibility of promoting local economy, fostering agricultural and industrial growth, and creating employment opportunities. The tasks given to *upzila parishad* were massive and significant. It had to prepare an *Upzila Development Plan* both for five and one year periods and had to maintain a plan book, which would continuously be updated in each financial year. The strains on the capacity of the council were obvious.

While the *upzila parishad* carried major responsibilities in development administration at the sub-national level, the central government maintained strong authority over local council. According to the 1982 Local Government Ordinance 1982, the national government had the following controls: (a) development plans of the *upzila parishad* require the sanction of national government in respect of functioning, execution, implementation and supervision, (b) the national government can quash the proceedings, suspend the execution of any resolution if anything done inconsistent with the law and policy of the national government and it can enquire into any issue it considers

essential.<sup>45</sup> In other words, subject to any actions that the government deems ‘inconsistent or in contradiction to national policy,’ it could overturn the resolution passed or order made by the *parishad*.<sup>46</sup> It was also announced that the government ‘shall exercise general supervision and control over *parishads* in order to ensure that their activities conform to the purposes of this (1982) Ordinance.’<sup>47</sup> Therefore, whereas theoretically *upzila* had large number of powers, in reality it had been severely restricted by these regulations.

Another major setback was the bureaucratic-polity interface at the *upzila* level hampering the smooth functioning of the *upzila*. Firstly, conflicts arose between the highest-ranking government official- *Upzila Nirbahi* Officer and directly elected *upzila* chairman even though the 1982 Ordinance clearly state that the former is under the latter’s control. As well, it was the employees of line ministries included: health and family planning, education, agriculture, engineering, cooperatives, livestock, fishery, social welfare, rural development, mass communication, revenue and police, who called the shots in the decision-making process. There was no scope for representative district administration based on participation of the people. Moreover, line ministry personnel working at that level were more accountable to their respective ministries than to the *upzila parishad*. The coordination between different departments of the *upzila* was also poor.

### **Financial Issues**

While all levels of local government have been empowered to raise revenue, the major source of revenue for the bodies however is from the central government grant. The

development funds of the *upzilas* came mostly from block allocation of the central government under its Annual Development Programme (ADP). While substantial support was provided by the government to *upzila* development initially, gradually the assistance declined, particularly due to constraints of economic liberalization policies pursued by the regime.<sup>48</sup> Consequently, the developmental activities centred on *upzila* gradually started to decline as well.

Table 4.3: Support to rural development sector and *upzila parishad* 1987-91:<sup>49</sup>

Year	Expenditure in rural development sector (in million taka)	Development assistance to <i>upzila parishads</i> (in percentage of total allocation)
1987-88	807	-
1988-89	1107	4.8
1989-90	1111	3.9
1990-91	-	1.0

The *upzilas* by and large failed to mobilize resources locally. Hasan identified five major problems of resource mobilization in *upzila* level namely- a meager resource base, a tax ceiling, the national government's control over sources of revenue, the planning and budgeting guidelines and administrative rules and regulations.<sup>50</sup> As mentioned earlier, *upzila parishads* were highly dependent on the block grant allocations made by the central government. The authority and scope for generating own revenue was limited with land development tax, leasing of markets, *jalmahals* (publicly owned water bodies) and ferry *ghats* insufficiently appropriated. While the list of rents, taxes and fees as possible sources seems adequate, the money collected was negligible. In his study of locally generated resources, Hasan found that the most that any *upzila* had put into

budget from its own resources was 17 percent.<sup>51</sup> Central government grants were, by far, the main sources of revenue.

While the central government grant were ideally guided by a principle of balanced development of all sectors, in reality there was bias in favour of infrastructure work against education, healthcare and social welfare.<sup>52</sup> As a result, more importance was given to building roads, culverts, etc. than to productive sectors like agriculture and industry and socioeconomic development.

Table 4.4: Guidelines for allocating *Upzila* Development Assistance Grants<sup>53</sup>

Sector	Minimum share (%)	Maximum share (%)
Agriculture, irrigation, and industry	30	40
Physical infrastructure	25	35
Socioeconomic infrastructure	17.5	27.5
Sports and culture	5	10
Miscellaneous	2.5	7.5

As the sources of income at *upzila* system yielded only a small amount, insignificant in terms of total needs of development plans, in essence this meant that *upzilas* could not formulate any plans whatsoever. On the other hand, project planning at the local level was subject to strict central control. Moreover, government instruction stated that *upzilas* should ‘undertake only those projects which can be planned and implemented with resources available to them.’<sup>54</sup> With insufficient resources generated locally, elected chairman and representatives of *upzila parishad* have very little say in the planning and allocation and preparation of budget at that level. The national government’s control over

resource allocation has been extensive by most standards. The spending of the grant was to be decided locally but within the allocation and therefore does not indicate total freedom in allocation of funds.

### **Political Implications**

The decision to democratize the *upzila parishad* faced stiff resistance from the mainstream opposition. Holding local government, particularly the *upzila* elections, proved to be the most problematic aspect in the decentralization process. While union *parishad* elections were held in December 1983, *upzila* elections were strongly resisted by opposition opposed to the military regime. Due to the resulting unrest, *upzila* elections were postponed from March 1984 until May 1985. In its efforts to force the government to comply with the demands of cancellation of polls, opposition parties started agitating through mass demonstrations, strikes, and asked their candidates to withdraw their nominations.

The opposition parties' objection to the *upzila* election was based on constitutional grounds that only a sovereign parliament could take a decision on such fundamental policy issue. Ahmed, however, holds that such arguments were not rational, as the Bangladesh constitution did not provide for a sovereign parliament at that time.<sup>55</sup> The announcement of polls created a dilemma for the opposition; on one hand, it provided a great opportunity for renew contact with rural electorate while on the other hand, it was apprehensive of the regime's capacity to enlarge its rural support base, particularly given the 'adaptability' of rural areas in changing allegiance to political parties on basis of

changes at the centre.<sup>56</sup> The government on its part, aware of its weaknesses in terms of legitimacy in the eyes of public, did not want to use the coercive state machinery for fear of mass uprising. The military government thus approached local government reform incrementally or was forced to do so. As such, while the *upzila* scheme was swiftly put into place, other aspects of the reform took much longer to be conceived and implemented amid political opposition, bureaucratic restraints, and other practical problems in implementation.<sup>57</sup>

Table 4.5: Positions of political parties/independents in 1985 *upzila* elections:<sup>58</sup>

Political parties/independents	Number of <i>upzila</i> chairman's posts captured
Jatiya Party	204
Independents	120
Awami League	52
BNP	33
Jatiya Samajbadi Dal	18
Others	33

Two union *parishad* elections were held in 1983-84 and 1988 during the tenure of Ershad. *Upzila* elections were held twice in 1985 and 1990. In 1985 *upzila parishad* elections, theoretically without party involvement, Jatiya Party won 18-19 percent, Awami League 30 percent, and BNP 9 percent. However soon after the elections, 55 percent of the new chairmen became *Jatiya Party* members giving Ershad the support of majority of the sub-districts in the country.<sup>59</sup> The election was also marked by violence and vote rigging. Ershad government was more restricted in 1990 *upzila parishad* elections because the emergence of popular protest has thrown it on the defensive.<sup>60</sup> Moreover, the election was considerably less violent and there were fewer malpractices.



The outcome of the change in context was apparent: an overwhelming number of incumbent *upzila* chairmen, well in excess of 90 percent, lost their positions.

Although these elections were supposed to be held on a non-partisan basis, there were no secrets as to the political affiliation of the candidate. *Upzila* level elections provided a site for action for all key actors in the political scene as ruling party wanted to enhance its grip on power while opposition parties saw it as an opportunity to challenge the incumbent government. Participation of marginalized groups in the political process was minimal. Only very few were women. In 1985 *upzila parishad* elections in 495 sub-districts, only 8 stood as candidates and all of them lost and a study in 1987 indicated are only six elected women members in served on the *upzila parishads* in the capacity as union chairwoman out of the nationwide total of 4401 union *parishad*, most of whom were 'filling in' for their husbands or relatives. In addition, electoral violence has played a major part in excluding the rural society in the political practice both in terms of exercising their voting rights as well as standing as candidates. Rahman, in a study of five local level elections between 1973-1990 state there violence has increased over period with 1980s witnessing an expansion of violence as compared to 1970s.<sup>61</sup>

In 1987, an attempt was made by regime to include military in the membership of the formerly civilian district councils. The Local Government (*Zila Parishad*) Amendment Bill, 1987 introduced in the parliament sought to revise the existing structure of the council by adding a non-voting member of the armed forces along with elected and nominated members and public officials. The move was met by general disapproval by

the public and faced stiff resistance in the parliament as well as countrywide protests demanding the removal of the president. The Bill was eventually passed without the provision that caused the uproar. Thus, the beginning of a process perceived to gradually culminate in the representation of the military in all crucial institutions in Bangladesh, was foiled. An innovation called *Palli Parishad* (Rural Council) similar to previous regime's *gram sarker* was also initiated but could not be launched due to unfavourable political situation that threatened the government. In 1988 the government introduced *zila parishads* with nominated chairmen but these never got off the ground.

While the creation of *upzila* provided opportunity for genuine participation at the local level, it was becoming increasingly apparent that the affairs of *upzila parishad* were subject to strong government intervention. This was primarily done through national government control over the regulatory and financial aspects, thereby dictating the formulation and implementation of developmental administration and programmes. For example, in 1985 when supporters of opposition parties or independent candidates won 56 percent of *upzila* positions, the government came up with a 'control mechanism' wherein allocation of funds were to be made on the basis of performance in terms of adherence to government guidelines for development programmes. On the other hand, there was a conscious effort by the regime to keep local politicians content; the tenure of *parishad* members, initially three years, was increased to five years. While corrupt procedures have always been part of the election process, it crossed all limits under Ershad government.

The *upzila* system was driven by policies to gain both short and long-term political goals. Bypassing the powerful administration at the district level, Ershad wanted to establish a direct link with rural power-holders. On paper, the reform initiated by Ershad comprised of deconcentration of administration as well as devolution of power to the *upzila* level. In reality, Westergaard and Alam contend, the *upzila parishad* was far from devolution in that central government retained the regulatory functions including police, magistracy, revenue collection and land administration.<sup>62</sup> Although the government more or less accepted the major recommendations of CARR, their implementations were carried out in a haphazard manner<sup>63</sup> and the entire process of implementing decentralization during 1982-90 has been marked by paradoxes and contradictions.<sup>64</sup> Some fundamental issues in devolution of power and authority such as reforming the district-level administration were kept outside the purview of NICARR. The government 'willfully disregarded the spirit of the recommendations and implemented them in a piecemeal and disjointed manner.'<sup>65</sup> There was hardly any real opportunity for disadvantaged groups to gain access to the decision-making process of the councils contrary to the rhetoric.

#### **4.6 Local Government Reforms under 'Democratic' Regimes**

##### **4.6.1 Bangladesh Nationalist Party (1991-96)**

The installation of democratic governance stimulated renewed interest in bringing about local government reform. Expectations were naturally high for meaningful changes in local development and administrative fronts and the new BNP government policies sought to institutionalize a 'democratic' local government system. From the very beginning, BNP was opposed to *upzila* system. Khaleda Zia, the party leader and later the

Prime Minister of the country, declared a crusade against *upzila parishad* during the anti-Ershad movement of 1990. BNP also drew large support from the civil bureaucracy, unhappy at losing power to local politicians.<sup>66</sup> This antipathy from BNP can be attributed to the fact that the party only had a marginal presence in the *upzila* level. In 1985, BNP hardly participated in the *upzila* election and in 1990 the party got seats in only 14 *upzilas* out of a total of 460.

Khaleda Zia's government promulgated the Local Government the *Upzila Parishad* and *Upzila* Administration Reorganization (Repeal) Ordinance in November 1991 to abolish *upzila parishad* a year after Ershad was removed from power. In June 1992, a cabinet division resolution was passed to replace *upzila parishad* by *thana* administration. According to Zafarullah, the move was a 'political reprisal rather than any rational administrative or economic consideration.'<sup>67</sup> Irrespective of the content of the *upzila* scheme, the BNP government felt that it was not acceptable within a 'democratic' framework. The official explanation however highlighted the failure of the system in attaining the intended objectives particularly in resource mobilization and people's participation in local affairs, dependence on central government funds, resource wastage in unproductive projects, corruption, etc.

Following the 'usual' norm, Khaleda Zia set up a high-powered Local Government Structure Review Commission (LGSRC). Many aspects of local governance which the commission was asked to look into issues such as people's participation, electoral and gender representation, local level planning had already been examined by the committee

which designed the *upzila* system. The political maneuvering of repeating the exercise served no practical purpose as the government overlooked many of the recommendations.<sup>68</sup> In the report submitted in July 1992, the Commission nonetheless recommended 'major changes' in the structure, composition, functions and finances of local government bodies in order to facilitate local level development and also to ensure people's participation.<sup>69</sup> Commission further reiterated that there has to be a balance between autonomy and control as regards the relationship between central and local governments.<sup>70</sup>

Based on the recommendation of LGSRC, the parliament passed the Local Government (Union *Parishads* Amendment) Bill in July 1993 that was introduced in February 1993. This provided for a two-tier local government with the union level as the focal point of local governance. According to Commission's recommendations, union *parishads* were to be responsible for various judicial functions, primarily settling minor disputes, as well development functions including minor construction, and promotion of education, agriculture and cottage industries. On the other hand, *zila parishads* will be responsible for a number of development activities including public works, large construction, etc. Apart from that, the Commission suggested establishment of village committees with the mandate to review Annual Union *Parishad* budget and development projects. In February 1993, the government also introduced Local Government (*Zila Parishad*) (Amendment) Bill following the Commission's recommendations of constituting the district council through indirect voting.

A new two-tiered structure was thus created with *Thana* Development and Coordinating Committee (TDCC) at the *thana* level serving as a link between union *parishad* at the union level and *zila parishad* at district level. TDCC was not a level of local government but rather its function was to coordinate development activities at the *thana* level. In the new system, the role of TDCC was thus considered crucial. The stated purpose of TDCC is to maintain communication between union *parishads* and *thana* administration as well as between union *parishads* and *zila parishads*. In addition to all union *parishad* chairmen, sixteen *thana* level officials will also be members of TDCC. These include *Thana* Executive Officer (member secretary), various sector officers like education, health, agriculture, etc., and police. A new feature of this TDCC system was the provision of local Member of Parliament to play an advisory role.

Subsequently, under the Local Government Amendment Act 1993, union *parishad* became the focal point of local level development and administration. Union *parishad* would elect their chairman and members directly while the post of chairman TDCC would rotate among the elected chairmen of union *parishad*. TDCC was essentially a deconcentrated unit at the *thana* level with the task of assessing the developmental needs of the *thana* and preparing projects for the unions to be approved by district level committees. The TDCC consisted of chairman of union *parishads*, three nominated women members, and heads of *thana* based government officials. The *Thana* Executive Officer (TNO) was made member secretary of the TDCC and meetings were presided over alternately by UP chairman every month.

The main responsibility of TDCC was to decide the allocation of block grant for union and *thana* development. The central government allocation among the *thanas* was made on the basis of following weights: population 40 percent, land area 30 percent and degree of backwardness 30 percent. A number of criteria would influence the allocation of funds to *upzila*. However, how backwardness would be measured or what would be the indicators of performance was not specified. The strict allocation meant that *thana* administration were unable to transfer funds from one sector to another even if local situation required so. For example, a particular *upzila* already well developed infrastructure may require more investment in social sector but would be restricted to only a certain amount. The lack of discretionary authority of local government was antithetical to the central element of decentralization and autonomy. It was the government officials who dominated the planning process and participation by elected officials were limited due to lack of knowledge.

Table 4.6: Guideline for annual block grant for *thanas*.<sup>71</sup>

Sector	Minimum allocation %	Maximum allocation %
Agriculture and irrigation	15	30
Transport an communication	25	60
Physical infrastructure	10	15
Education and development	10	25

### **Evaluation of BNP Reforms**

The local government reforms initiated by BNP came under considerable criticism due to its ineffectiveness in enhancing participation of people. Firstly, despite considerable promise, the *upzila* system was abandoned mainly for political considerations as BNP

made a u-turn towards centralization of government. Union *parishad* continued to function but without an elected council at higher up at the sub-district level, to integrate them into the supra-local political system, union *parishads* were too small and isolated to enable rural population to influence government institutions in a meaningful way.<sup>72</sup> The only effective tier of local government was union *parishad* as the envisaged *zila parishad* never came about. The relationship between the two tiers of local government was also not clearly defined.

While union *parishad* elections were held in 1992 and 1997, *zila* level elections were not held contrary to pledges from the ruling party. The outcome was that the elected union *parishad* completely lost its effectiveness as a powerful decentralized body. A highly bureaucratized *thana* administrative set-up was put in place to manage local development and administration in rural Bangladesh. Essentially, centrally appointed bureaucrats rather than people's representatives ran the whole local government system. The complicated process of planning and implementation of development objectives was crucially affected by political commitment as well as administrative capacity.

Due to various reasons, the TDCC could not be effective. Absence of a regular chairman resulted in lack of direction. TDCC had no control over the officials of different ministries which, according to Zarina Khan, made the TDCC fairly ineffective.<sup>73</sup> In sum, the process of decentralization was reverted into a process of centralization and local government was virtually tuned into a subordinate agency of central government.<sup>74</sup> Thus the process of decentralization was 'reversed into a process of centralization and the



concept of self-government was virtually turned into that of a subordinate agency of national government.<sup>75</sup> Absence of a regular chairman caused lack of leadership and commitment. Coordination between inter-union matters as well as between official departments was poor. As regards participation of the people, no meaningful process of interaction with people was possible in this local government system.

On the other hand, the report of the review commission was never made public. Moreover, the report was implemented arbitrarily through executive action rather than through parliamentary debate.<sup>76</sup> No action was taken to implement the some of most important recommendations of the commission with particular focus on union *parishad*. These included:<sup>77</sup>

- union *parishad* with the authority to supervise and review activities of government officials at union level.
- formation of a statutory body called Local Government Commission.
- union *parishad* to get matching grant if they can mobilize internal resource for development project.
- nine specific heads earmarked for union *parishad* taxation.
- union *parishad* should be allowed to credit from Banks for its projects.
- identification of twelve development functions as well as twelve functions related to maintenance of security and order.

The government however implemented the provision for 10 percent contribution to union *parishad* by NGOs as fees of project cost. Nevertheless, important recommendations the

revival of village councils, which was established by the previous BNP government, were overlooked by the regime. The abolition of *upzila parishad* was appreciated by the bureaucracy who used the changing political scenario to regain their lost power. With neither *thana* nor district level having an elected body, Khaleda Zia's reorganization was in essence a 'reversal to central authority and concentration of powers in the hands of bureaucracy and politicians.'<sup>78</sup>

## **6.2 Awami League (1996-2001)**

After more than two years of political turmoil, unrest and violence, Awami League came to power through parliamentary elections in 1996. Keeping its pre-election promise to set up a strong and effective local government system, the new government appointed a new Local government Commission in September 1996. The Awami League also formed a high profile Public Administration Reform Commission (PARC) in October 1997. The major objective assigned to the PARC was to review administrative structure for improving the quality and standard of service, achieve transparency and efficiency and suggest 'comprehensive reform measure for public institutions in line with the spirit of devolution.'<sup>79</sup> In doing so, Awami League continued the practice of forming high-powered bodies in an effort to change local government structure. Headed by a member of parliament, the eight-member Commission was given the responsibility to determine the framework of local government an in line with the government's declared objectives of accelerating decentralization and participation.

The Local Government Commission submitted its report in May 1997. The main thrusts of the Commissions recommendations were<sup>80</sup>

- (i) directly elected council chairman at all levels
- (ii) directly elected women at all levels
- (iii) strengthening of the councils in terms of authority, resource base, functional boundaries, local-level planning, local budgeting and implementation
- (iv) provision of bureaucratic accountability to local representatives at relevant levels
- (v) Constitution of a permanent statutory Local Government Commission and a Finance Committee.

The Commission also underscored the need for delegating extensive powers to local bodies for staff management of financial resource mobilization. The government accepted most of the recommendations of the Commission, but ‘decided to adopt an incremental approach in its implementation.’<sup>81</sup> The Commission came up with a recommendation in 1998 to revert back to the four-tiered system and reintroduce local governance at the *thana/upzila* level. The proposed four-tier system of local government comprised of *gram parishad*, *union parishad*, *upzila/thana parishad* and *zila parishad*. The Awami League government, in compliance with state policy and endorsing recommendations of Commission, established a four-tier local government structure at village, union, *thana* and *zila* level. The two-tiered structure of the BNP government was abolished and was dubbed as a failure to create effective local governance.

Legislation in the form of Local Government (*Gram Parishad*) Act was passed in 1997 to form *gram parishad* at the ward level as the lowest tier of local government unit for planning and coordination. Consisting of elected ward members of union *parishad* as chairmen, and six general and three female members, the *gram parishad* was assigned as many as fourteen functions ranging from socioeconomic surveys to adjudication of petty disputes to help union *parishad* to discharge its functions. However, *gram parishad* had no powers to charge taxes and had to depend on grant from government and union *parishad*.

In 1997, Local Government (Union *Parishad*) Act 1997 was passed. It included the amendment of the Union *Parishad* Ordinance of 1983 by which provision were made for direct elections for women, the first time in the country's history. Direct participation by women was thus ensued by three reserved seats in the union *parishad* membership. Elections were in December 1997 in 4,500 union *parishads* across the country. The polls provided for nearly 13,000 elected women union members. A Local Government *Upzila Parishad* Act was passed by Parliament in 1998 providing for the creation of elected councils at the *thana/upzila* level. However, *upzila parishad* elections were postponed several times amid the uncertain political situation prevailing in the country. *Zila parishad*, the fourth tier recommended by the Commission, has not yet got off the ground as legislation regarding this level of local government has not yet been proposed.

Some of the more progressive recommendations of the Commission 1997 and that of Finance Committee 1999 did not find a place in subsequent Local Government Act providing for the four-tier system. Some of the Commission recommendations not implemented by the included:<sup>82</sup>

- Union *parishad* chairman will write the performance report of union level government staff.
- Independent Local Government Commission proposed to look after local government finance and control.
- 22 specific functions earmarked for union *parishad* clustered into 10 broad functional areas.
- Representatives of cooperatives, freedom fighters,<sup>83</sup> and disadvantaged groups (fishermen, landless, destitute, women, weaver, etc.) will be non-voting members of union *parishad*.
- Enhanced range for leasing ferry ghats, jalmahals (waterbodies), markets; enhanced share of land tax upto 5 percent.
- Union *parishad* five-year plan will be the basis of *upzila* five-year plan.

The government did form a permanent statutory Local Government Commission and a Finance Committee following the Commission's recommendation. However, again the conventional procedure of scrutinizing of the Commission report by top-ranking civil servants was maintained. As well, the government has been indecisive in bringing about democratic changes in all tiers of local government as recommended by the Commission. As mentioned earlier, polls for *gram* and *upzila parishads* however were not held. A

change in government at the national level in 1996 ‘clearly presaged another reform reversal.’<sup>84</sup>

#### **4.7 Conclusion**

It is evident that in the first decade since liberation, local government remained a neglected sector under different regimes. Contrary to expectations, no major changes occurred during the country’s first government of Awami League. While Zia’s village level micro-government was encouraging, the reforms were mainly targeted towards reversing the Awami League dominance in the rural areas in his favour. Therefore even after the independence of Bangladesh in 1971, the pattern of highly bureaucratized and top-down decentralization system remained more or less unchanged. Crude political expediency more than anything else shaped the reform policies that worked against the devolution of power to local areas.

Ershad’s *upzila* structure saw a system never seen before in the country- subordination of all the technical development staff to generalist rural development cadre and the control of the whole administrative apparatus by a popularly elected *thana/upzila* level chairman.<sup>85</sup> However, the decentralization policy tightened the military leader’s grip over the countryside. The election of *upzila* chairman, although professed by the regime to be non-partisan, in reality was an exercise to install his loyal party members in the administration and the boycott of the election by opposition parties proved to be to his advantage. Nonetheless the *upzila parishad* with its devolutionary administrative and

political features represented the most participatory local government structure in the country.

A review of BNP's (1991-96) local government system reveals that not many positive changes have occurred after the transition to democracy. In particular, the impediments to political as well as economic autonomy and participation of the *upzila* system were not removed. The contours of the new TDCC system of local government 'retain the emphasis on administration and central control with little autonomy to the lower tiers of local government.'<sup>86</sup> Beyond the cosmetic changes, the BNP government hardly made an attempt to bring about any meaningful reform in decentralization policies. The fact the Khaleda Zia's government did not have the provision for any elections in the district or sub-district level is indirect evidence in that regard. Similarly the Awami League reform did not bring any concrete measures in effective local governance. The inclusion of women as directly elected members of union *parishad* was undoubtedly a positive step. However, other important reform proposals by and large were ignored by the government.

Decentralization in Bangladesh has not taken the form of devolution of power and at best, it has been a mixture of devolution and deconcentration. Since independence, union *parishad* has been the only fully democratic body in the local government structure. However, it was subject to subordination and intervention from higher levels- *thana* and *upzila parishads*, neither of whom were completely elective bodies. Apart from union *parishad*, only the *upzila parishad* chairman was directly elected during Ershad's rule.

Although the local government institutions enjoy some degree of operational autonomy, these are not independent of the central government or of the administrative hierarchy in the country.<sup>87</sup> As a result, control and supervision by the central government range in a host of legal, operational and financial matters.

It is clear by the analyses of various efforts of decentralization that central government entrusted the local government with a large number of functions without sufficient autonomy to plan and implement development projects. Essentially, local governments had been reduced to playing the role of executing agency of the development plans formulated at the centre. Bureaucracy has largely been apathetic to local government reforms, as devolution of power would undermine its hold on administrative affairs. While local bodies were given autonomy to functions such as collecting tax, issuing licenses, maintaining law and order, in most cases, they were not assigned with the requisite powers of execution remained with the field administration.<sup>88</sup>

Local government resources have been based on central government grants, and this has had a two-fold negative outcome on the success of decentralization. Firstly, resource mobilization at the local level was not given due importance; secondly the development expenditure often did not reflect the local needs due to the strict criteria for expenditures and disbursements which formed part of the central government grants. Moreover, an ironic result of this resource allocation structure for local governance was that as the decentralized bodies did not depend on the revenues generated locally, they were in fact less accountable to the local communities than under the old centralized structures.



Revenue generation has been negligible, and local tax and non-tax revenue has never been enough to finance even the administrative expenditures of local government, let alone providing sufficient resources for local development. Consequently, a crucial aspect of self-governance- the allocation or creation of adequate financial resources to support local institutions of governance and their initiatives- has not been initiated even after three decades of experimentation with decentralization.<sup>89</sup>

The increasing role of NGOs in the political economy of the country--a result of structural adjustment programs (SAPs) which saw the fiscal retreat of the central government from social welfare and development expenditures- resulted in the state sharing the responsibility of facilitating economic development in rural areas. Generally speaking, the IFI donor agenda of privatizing economic activities, along with the fiscal constraints of resulting from SAP liberalization policies, has significantly eroded the ability or the desire of the central government to hand down the necessary resources to the now-decentralized local institutions of governance. Since the 1980s, the amount of financial support to both *thana/upzila* and union levels has declined steadily. On the other hand, the inability of these bodies to generate income has reinforced the dependence of local governments on central government agendas and spending criteria. Therefore, with few resources available, barring isolated government-approved disbursements to selected sectors like infrastructure, a productive transformation of the rural economy through decentralization has still not come about in Bangladesh.

## ENDNOTES:

<sup>1</sup> There were some short-lived and/or interim regimes in power at different points of time in Bangladesh. The decentralization policies by those regimes had been too brief to have a lasting impact and therefore would not be discussed here.

<sup>2</sup> Although several types of local governments existed before, the study limits the analyses of the historical development from the colonial period.

<sup>3</sup> Habib Zafarullah, "Local Government Reform and Accountability in Bangladesh: The Continuing Search for Legitimacy and Performance," Regional Development Dialogue 18.2 (1997): 38.

<sup>4</sup> Niaz Ahmed Khan, "The Political Economy of Decentralized Local Governance in Bangladesh," The Indian Journal of Social Work 62.1 (2001): 96.

<sup>5</sup> Zafarullah, "Local Government Reform and Accountability in Bangladesh," 38.

<sup>6</sup> Mohammad Mohabbat Khan, "Local Self-government System in Rural Bangladesh," Decentralised Governance in Asian Countries, eds. Abdul Aziz, and David D. Arnold (New Delhi: Sage Publications, 1996) 44.

<sup>7</sup> Mohammad Mohabbat Khan, "Local Self-government System in Rural Bangladesh," 45.

<sup>8</sup> See Harry W. Blair, "Participation, Public Policy, Political Economy and Development in Rural Bangladesh," World Development 13.12 (1985).

<sup>9</sup> See Blair, "Participation, Public Policy, Political Economy and Development in Rural Bangladesh," 1235.

<sup>10</sup> Habib Zafarullah, and M.M. Khan, "Bureaucracy and Rural Development in Bangladesh," Handbook of Bureaucracy, ed. A. Farazmand (New York: Marcel Dekker, 1994) 645; cited in Habib Zafarullah, "Local Government Reform and Accountability in Bangladesh," 38.

<sup>11</sup> Literally meaning police station; *Thana* was introduced by the British colonial administration as a tier below district to look after law and order.

<sup>12</sup> Before 1982, the 21 districts were divided into 71 sub-divisions. These were headed by a central government officer called sub-divisional officer (SDO) and only had supervisory roles.

<sup>13</sup> All the figures are from different sources and are approximate.

<sup>14</sup> *Thana parishad* was chaired by the SDO.

<sup>15</sup> Larry Schroeder, "Decentralization in Rural Bangladesh," Asian Survey 25.11 (1985): 1137.

<sup>16</sup> Constitution, Government of Bangladesh; cited in Nizam Ahmed, "Experiments in Local Government Reform in Bangladesh," Asian Survey 28.8 (1988): 814.

<sup>17</sup> Habib Mohammad Zafarullah, "Public Administration in the First Decade of Bangladesh: Some Observations on Developments and Trends," Asian Survey 27.4 (1987): 459.

<sup>18</sup> Ahmed, "Experiments in Local Government Reform in Bangladesh," 814.

<sup>19</sup> Ahmed, "Experiments in Local Government Reform in Bangladesh," 814.

<sup>20</sup> See Zafarullah, "Public Administration in the First Decade of Bangladesh," 460.

<sup>21</sup> Zarina Rahman Khan, "Decentralized Governance: Trials and Triumphs," Bangladesh: Promise and Performance, ed. Rounaq Jahan (London: Zed Books, 2001) 115.

<sup>22</sup> Ahmed, "Experiments in Local Government Reform in Bangladesh," 814.

<sup>23</sup> The poor performance was mainly attributed to massive corruption by the councilors as member of relief committees and other development programmes; see Harry W. Blair, "Participation, Public Policy, Political Economy and Development in Rural Bangladesh," 1236.

<sup>24</sup> Among other changes, The District Administration Act of 1975 provided for supplanting the *zila parishad* by a District Administration Council to be composed of members of parliament (MP), representatives of the national party, district officials of both civil and law enforcement agencies; the Act also replaced the deputy commissioner as the head of district administration with a centrally appointed governor accountable only to the president of the republic.

<sup>25</sup> Zarina Rahman Khan, "Decentralized Governance: Trials and Triumphs," 112.

<sup>26</sup> Blair, "Participation, Public Policy, Political Economy and Development in Rural Bangladesh," 1236.

<sup>27</sup> Government of Bangladesh The Local Government Ordinance (Dhaka: Government Press, 1976); cited in Habib Zafarullah, "Local Government Reform and Accountability in Bangladesh: The Continuing Search for Legitimacy and Performance," Regional Development Dialogue 18.2 (1997): 39.

<sup>28</sup> Ahmed, "Experiments in Local Government Reform in Bangladesh," 815

- <sup>29</sup> Shakeeb Adnan Khan, The State and Village Society: The Political Economy of Agricultural Development in Bangladesh (Dhaka: University Press Limited, 1989) 139.
- <sup>30</sup> Mohammad Mohabbat Khan, and Habib Mohammad Zafarullah, "Entrenched Strong Man Rule: The Governmental System in Bangladesh," The Changing Shape of Government in the Asia-Pacific Region, eds. John W. Langford and K. Lorne Brownsey (Halifax: The Institute for Research on Public Policy, 1988) 186.
- <sup>31</sup> Zarina Rahman Khan, "Decentralized Governance: Trials and Triumphs," 116.
- <sup>32</sup> Ayesha Jalal, Democracy and Authoritarianism in South Asia: A Comparative and Historical Perspective (Cambridge: Cambridge University Press, 1995) 116-117.
- <sup>33</sup> Zarina Rahman Khan, "Decentralized Governance: Trials and Triumphs," 117; and Ahmed, "Experiments in Local Government Reform in Bangladesh," 816.
- <sup>34</sup> Samiul Hasan, "Upzila Development Planning in Bangladesh: Problems of Resource Mobilization," Asian Survey 32.9 (1992): 802.
- <sup>35</sup> Mustapha K. Mujeri, and Lisa S. Singh Case Studies on the Impact of Decentralization: Bangladesh (Dhaka: CIRDAP, 1997) 2.
- <sup>36</sup> These included: Local Government (*Upzila Parishad* and *Upzila Administration Reorganization*) Ordinance, Local Government (Union *Parishads*) Ordinance, Local Government (*Zila Parishad*) Act 1988, Bandarban Hill Tract District Local Government *Parishad* Act 1989, Rangamati Hill Tract District Local Government *Parishad* Act 1989, Khagrachari Hill Tract District Local Government *Parishad* Act 1989, and Palli *Parishad* Act 1989.
- <sup>37</sup> Blair, "Participation, Public Policy, Political Economy and Development in Rural Bangladesh," 1237.
- <sup>38</sup> Exceptions were made in Chittagong Hill tracks districts of Rangamati, Bandarban, and Khagrachari where the number of nominated members could be as much as 50 percent of the total elected members.
- <sup>39</sup> The Local Government (*Thana Parishad* and *Thana Administration*) Ordinance, 1982 (Dhaka: Ministry of Law and Land Reform, 1982) cited in Samiul Hasan, "Upzila Development Planning in Bangladesh: Problems of Resource Mobilization," Asian Survey 32.9 (1992): 803-804.
- <sup>40</sup> Mohammad Mohabbat Khan, and Habib Mohammad Zafarullah, "Entrenched Strong Man Rule," 178.
- <sup>41</sup> Adapted from Larry Schroeder, "Decentralization in Rural Bangladesh," 1136.
- <sup>42</sup> Ahmed, "Experiments in Local Government Reform in Bangladesh," 813.
- <sup>43</sup> Cited in Kirsten Westergaard, and Muhammad Mustafa Alam, "Local Government in Bangladesh: Past Experiences and Yet Another Try," World Development 23.4 (1995): 682.
- <sup>44</sup> Mustapha K. Mujeri, and Lisa S. Singh Case Studies on the Impact of Decentralization: Bangladesh.
- <sup>45</sup> Cited in Nurul Islam Nazem, and Nazrul Islam, "Upazila Approach to Development Administration in Bangladesh: An Examination of its Efficacy," Encyclopedia of SAARC Nations: Bangladesh, ed. Verinder Grover (New Delhi: Deep and Deep Publications, 1997) 478.
- <sup>46</sup> The Local Government Ordinance, 1982; cited in Samiul Hasan, "Upzila Development Planning in Bangladesh: Problems of Resource Mobilization," 810.
- <sup>47</sup> Government of Bangladesh, The Local Government (*Upzila Parishad* and *Upzila Administration Reorganization*) (Third Amendment) Ordinance 1983, section 36 (3); cited in Ahmed Shafiqul Huque, "The Illusion of Decentralization Decentralization: Local Administration in Bangladesh," International Review of Administrative Sciences 52.1 (1986): 87.
- <sup>48</sup> Zarina Rahman Khan, "Decentralized Governance: Trials and Triumphs," 119.
- <sup>49</sup> Adapted from Habib Zafarullah, "The Dilemmas of Local Level Planning in Bangladesh 1982-1990," Contemporary South Asia 5.1 (1996).
- <sup>50</sup> Hasan, "Upzila Development Planning in Bangladesh: Problems of Resource Mobilization," 804.
- <sup>51</sup> See Samiul Hasan, *Upzila Development Planning in Bangladesh: Problems of Resource Mobilization*,
- <sup>52</sup> Kirsten Westergaard, and Muhammad Mustafa Alam, "Local Government in Bangladesh," 684.
- <sup>53</sup> Government of Bangladesh, Ministry of Finance and Planning, Planning Commission, "Guidelines for *Upzila Parishads* for Utilization of the Development Assistance Provided by the National Government through ADP," (Dhaka: July 1983); cited in Samiul Hasan, "Upzila Development Planning in Bangladesh: Problems of Resource Mobilization," Asian Survey 32.9 (1992): 809.
- <sup>54</sup> Ministry of Finance and Planning, "Guidelines for Utilization by the UZP of Development Assistance Provided by the National Government through ADP," in Manual, vol. 2:24; and Ministry of Local Government Rural Development and Cooperatives (LGRDC), "Instructions on Utilization of Development

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Assistance Fund Provided by the Government to the *Upzila Parishads*,” in Manual, vol. 3: 104; cited in Samiul Hasan: 810.

<sup>55</sup> Ahmed, “Experiments in Local Government Reform in Bangladesh,” 822.

<sup>56</sup> Adaptability in this sense is meant as the propensity of local leaders to change allegiance to political parties in favour of that in power. See Nizam Ahmed 822-833.

<sup>57</sup> See Habib Zafarullah, “Local Government Reform and Accountability in Bangladesh,” 40-41.

<sup>58</sup> Mohammad Mohabbat Khan, “Politics of Administrative Reform and Reorganization in Bangladesh,” *Public Administration and Development* 7 (1987): 359.

<sup>59</sup> Richard C. Crook, and Alan Sturla Sverrisson, *Decentralization and Poverty-alleviation in Developing Countries: A Comparative Analysis or, is West Bengal Unique?* (Brighton; Sussex: Institute of Development Studies, 2001) 27.

<sup>60</sup> See Richard C. Crook, and James Manor, *Democracy and Decentralisation in South Asia and West Africa: Participation, Accountability and Performance* (Cambridge: Cambridge University Press, 1998) 93.

<sup>61</sup> Hussain Zillur Rahman, “Landscape of Violence: Local Elections and Political Culture in Bangladesh,” *Economic and Political Weekly* 25.46 (1990): 2622-2624.

<sup>62</sup> See Kirsten Westergaard, and Muhammad Mustafa Alam, “Local Government in Bangladesh,” 682.

<sup>63</sup> Mohammad Mohabbat Khan, and Habib Mohammad Zafarullah, “Entrenched Strong Man Rule,” 187-188.

<sup>64</sup> See Mohammad Mohabbat Khan, “Paradoxes of Decentralization in Bangladesh,” *Development Policy Review* 5 (1987): 407-412.

<sup>65</sup> Mohammad Mohabbat Khan, “Paradoxes of Decentralization in Bangladesh,” 409.

<sup>66</sup> Zarina Rahman Khan, “Decentralized Governance: Trials and Triumphs,” 120.

<sup>67</sup> Habib Zafarullah, “Local Government Reform and Accountability in Bangladesh,” 42.

<sup>68</sup> Habib Zafarullah, “Local Government Reform and Accountability in Bangladesh,” 42.

<sup>69</sup> Zarina Rahman Khan, “Decentralized Governance: Trials and Triumphs,” 120.

<sup>70</sup> Kirsten Westergaard, and Muhammad Mustafa Alam, “Local Government in Bangladesh,” 679.

<sup>71</sup> Government of Bangladesh, “Government Circular,” 1993; cited in Zarina Rahman Khan, “Decentralized Planning and Financing of Rural Development in Bangladesh,” *Regional Development Dialogue* 20.2 (1999): 51.

<sup>72</sup> Richard C. Crook, and James Manor, *Democracy and Decentralisation in South Asia and West Africa: Participation, Accountability and Performance* (Cambridge: Cambridge University Press, 1998) 93.

<sup>73</sup> See Zarina Rahman Khan, “Decentralized Planning and Financing of Rural Development in Bangladesh,” *Regional Development Dialogue* 20.2 (1999): 45-46.

<sup>74</sup> Zarina Rahman Khan, “Decentralized Planning and Financing of Rural Development in Bangladesh,” *Regional Development Dialogue* 20.2 (1999): 46.

<sup>75</sup> Zarina Rahman Khan, “Decentralized Governance: Trials and Triumphs,” 121.

<sup>76</sup> See Mohammad Mohabbat Khan, “Local Self-government System in Rural Bangladesh,” 59.

<sup>77</sup> Centre for Policy Dialogue, *Policy Brief on Administrative Reform and Local Government* (Dhaka: CDP Task Force Report, 2001).

<sup>78</sup> Zarina Rahman Khan, “Decentralized Governance: Trials and Triumphs,” 121.

<sup>79</sup> Centre for Policy Dialogue, *Policy Brief on Administrative Reform and Local Government*.

<sup>80</sup> Zarina Rahman Khan, “Decentralized Planning and Financing of Rural Development in Bangladesh,” 46.

<sup>81</sup> Zarina Rahman Khan, “Decentralized Planning and Financing of Rural Development in Bangladesh,” 46.

<sup>82</sup> Centre for Policy Dialogue, *Policy Brief on Administrative Reform and Local Government* 22.

<sup>83</sup> Those who fought in the 1971 liberation war against the Pakistani army.

<sup>84</sup> Habib Zafarullah, “Local Government Reform and Accountability in Bangladesh” 42.

<sup>85</sup> Blair, “Participation, Public Policy, Political Economy and Development in Rural Bangladesh,” 1238.

<sup>86</sup> Kirsten Westergaard, and Muhammad Mustafa Alam, “Local Government in Bangladesh,” 687.

<sup>87</sup> Mustapha K. Mujeri, and Lisa S. Singh.

<sup>88</sup> Zarina Rahman Khan, “Decentralised Government and its Impact on Rural Society in Bangladesh,” *Decentralised Governance in Asian Countries*, eds. Abdul Aziz, and David D. Arnold (New Delhi: Sage Publications, 1996) 66.

<sup>89</sup> Zarina Rahman Khan, “Decentralized Governance: Trials and Triumphs,” 108.

## **Chapter Five**

### **Conclusion**

The thesis set out to determine the dynamics of decentralization programmes pursued in Bangladesh. More specifically, the focus was on the period between 1982-2001. In the first part this period, Bangladesh was ruled by the military turned civilian regime of General Ershad while the 1990s saw parliamentary democracy in place in the country. In Chapter Two, the literature encompassing a broad spectrum of issues related to decentralization was critically reviewed. In the following chapter, the study made an attempt to highlight the salient political and economic changes with special reference to rural areas. The next chapter analyzed various decentralization reforms undertaken by different regimes to find out whether power and resources were transferred to the local level and extent of participation of people in the local government system. The objective of this final chapter is to integrate the findings of all of the previous chapters in order to outline the underlying processes of decentralization in terms of the political economy of Bangladesh.

Firstly, it can be inferred that decentralization is by no means a developmental panacea. As Smith suggests, if centralization leads to territorial justice or redistribution of wealth it could well be considered a preferable strategy.<sup>1</sup> Nevertheless, it is accepted that relocation of political power and resources is a definite way of achieving equitable and participatory development. On the other hand, given the intractability of issues associated with decentralization, it is convenient to forward normative interpretations of the concept. Indeed, decentralization, as part of the donor-led agenda of good governance has been the

single most driving force behind the pursuit of decentralization in developing countries. In such analysis, the centrality of state power as well as the complex socioeconomic and political landscape within which the state operates is generally ignored.

The causes of underdevelopment in Bangladesh have been explained in terms of both external dependence and internal inequality. As well, it has been argued that the problems of governance in the country are deeply rooted in the country's historical experience. As Kochanek argues, behind the façade of developmental state in Bangladesh, there exists a well-established patrimonial system based on a complex web of patron-client relationships, antiquated rules and procedures, and a complex bureaucratic structure that makes reform difficult.<sup>2</sup> This study identifies the role of the state, particularly the form it takes given the political economy as well as social structure, as the most decisive factor in shaping the country's development course.

The shift toward increasingly liberalized, export-led economy and the concomitant changes in governance in Bangladesh has not been independent of the economic interests and new relations of inequality. Pro-market reforms undertaken since the 1980s were implemented neither to stabilize the economy nor to meet greater development challenges, but rather to consolidate the power of ruling elites.<sup>3</sup> International donors have consistently aided the relationships among all the 'actors' by 'providing much of the lubricant for these linkages.'<sup>4</sup> As well, the emergence of NGOs as the principal agents of development since the 1990s has undermined the legitimacy of the state. While NGO mobilization did facilitate local participation and empowerment of poor in some areas,<sup>5</sup>

the overall impact has been marginal. All of these factors 'left a constituency of losers in the restructured economy' as the state patronage is not easily accessible in rural areas.<sup>6</sup> In this context, decentralization of administration as part of aid conditionalities led to infrastructure development and the task of service delivery came to be distributed between government, NGOs, and the private sector.<sup>7</sup>

With regard to the rural setting, successive regimes in Bangladesh derived support from the rich peasant class for their survival, to contain unrest and muster election votes. Since the state lacked effective control of the countryside, there was a need for establishing a link between state and rich peasants to address the constraints of socioeconomic structure and manage class conflicts through exploitation and patron-client relations. Winning over leaders of rural society through the extension of state patronage and development funds was 'a safe way of establishing control over the political system.'<sup>8</sup> The local leaders, largely drawn from the richer class, in turn maintained liaison with senior bureaucrats and political agents of the regimes in order to obtain economic benefits. Rather than wresting control from the political interests and rural elites that dominated the countryside, efforts in rural development actually reinforced that relationship.

There has been an increasing realization of the complexity of local issues and the inability of state to deal with these problems. Distribution and access to resources in rural Bangladesh has generally been characterized by systemic bias. Participation of people in development activities traditionally has been a difficult process and representation of marginalized groups does not ensure any concrete step towards voicing the needs of

people. Rather as discussed in the Chapter Three, it is the complex socioeconomic structure that determines who benefits from rural development efforts and local government service delivery and who is left out of the process. Therefore, it can be argued that in case of Bangladesh, the vehicles to mediate incongruities between national development objectives and local ones have still not been established.<sup>9</sup>

For Bangladesh, a decentralization process that represents the neglected section of rural population and a development strategy that is truly participatory in nature are not the only but some of the necessary conditions for progress. With one of the highest population densities in the world and pervasive rural poverty, the need for an effective decentralized local government system is unquestionable. Although the issue of decentralization has frequently featured in development dialogues in Bangladesh, it has generally failed to go beyond normative discourse. Successive regimes have highlighted local government as the vehicle for people's participation in the development process. However, no actors in the scene, politicians, bureaucrats or policy makers seem to be concerned or enthusiastic about putting decentralization in the mainstream national debate in a meaningful and vigorous way.<sup>10</sup>

The study argues that, in Bangladesh, local government was introduced for administrative convenience rather than popular demand in the countryside and approaches to decentralization in Bangladesh, contrary to rhetoric have tended to be highly paternalistic and elitist. In addition, external pressures in the form of donors to enhance rural service delivery and rural development led to local institution building by the state. This is not to



imply that reform was not overdue in local government in Bangladesh. Rather the point is that as the drive for local government reforms came from 'above,' the central control over local government functions has been even more extensive. The so-called nation-building departments located in different tiers which generally dominate the functions of local government, work as mere extensions or 'local branches'<sup>11</sup> of the central government.

The analysis in Chapter Four clearly indicate that decentralization efforts for long have been plagued by various problems. Some common trends can be identified in all decentralization programmes in Bangladesh:

- Inadequate power and resources devolved to local institutions from the central government.
- Grossly inadequate mobilization of resources at the local level and the inability to plan and undertake development activities by local units.
- Conflicts and poor structures accountably between elected officials and field administration.
- Limited or lack of participation of the rural poor and other disadvantaged groups in decision-making process in local bodies as well as in the development activities.

Providing adequate support to the local government has always been a problem in the country beset by scarcity of resources for development. Although the central government is under statutory obligation to provide grants, it exercises considerable degree of control

over local institutions by varying the amount or by making their release subject to fulfillment of 'conditionalities.' On the other hand, regulation of local income generation remains stringent with a very narrow revenue and resource base. Moreover, local government powers and responsibilities are stipulated in general terms. For example, while union *parishads* have the responsibility to maintain law and order, the instruments to execute that task is retained in district or sub-district level. The link between decentralization and poverty reduction and improvement of local economies are conspicuously absent; there has not been synchronization between rural development and local government system.<sup>12</sup> Some major development activities are being undertaken by central government agencies with support from donors that have very little or no input from local government bodies.<sup>13</sup>

The history of decentralization in Bangladesh shows that each change in government was accompanied by a move to replacing the previous system and initiating a new one. Emphasis has shifted from one level of local government to another without any justification, a process critics dub 'tier-experimentation.' Similarly, coups, assassinations, and political antagonisms have cut short many decentralization programmes. None of the local government systems was allowed to function long enough to be developed and consolidated. Policies were discarded due to 'guilt through association' with the previous regime. Lack of continuity and consistency in decentralization programmes had a negative impact in rural service delivery and participation. Over the years, among all the tiers of local government in the country, only the union *parishad* have had some sort of continuity. Another common tendency among all regimes in power, military or otherwise,

has been the setting up of high-powered commissions and committees to look into the problems of local governments system and suggest reforms, an exercise redundant in the majority of cases. For the most part, local government in Bangladesh operated without any constitutional provisions. Articles 59 and 60 of the Constitution, which make elected local government in the country mandatory, remained suspended from along with the Constitution between 1975-1991.

Going back to the decentralization policies by different regimes, the first Awami League government was more concerned with consolidating its control over state machinery. Initially the party tried to limit the power of bureaucracy but later in its overriding concern to extend party control, the government came up with a highly centralized local government structure. The Zia regime adopted decentralization as a major economic policy in order to use public resources and patronage to build up a capitalist class in coexistence with a large public sector. While the micro government of *gram sarker* scheme initiated during BNP rule can be considered, to a certain extent, as a breakthrough in grassroots participatory development, the programme did not have time to evolve and was plagued by institutional problems.

Ershad's martial law government wasted little time to undertake massive administrative reforms highlighting the failure of centralized political and administrative structures. The *upzila* system initiated by military government of Ershad were without a doubt the most far reaching of all local government reforms since independence of Bangladesh. It marked the first time that people's representatives were intended to be the principal

decision-makers at the local level in the country. The Committee of Administrative Reform/Reorganization (CARR) provided a blueprint for both political and administrative decentralization; the former emphasizing the shift from centre to the periphery and the latter underscoring hierarchical transfer to lower tiers of government. Military takeovers in developing countries are usually followed by sweeping changes politico-economic spheres and here Ershad's reforms measures were no different.

In analyzing the formulation of local government reform of Ershad, it is important to recognize that the policy was introduced at a time when 'a move toward democratic practices involving a high degree of popular participation was very unlikely.'<sup>14</sup> At the time of introducing the policy, Ershad was Chief Martial Law Administrator and supreme leader of the country. The question arises as to what factors led the regime to formulate a policy of devolution? Initially, for the military regime, the purpose of erecting structures of participation originated out of the need to stabilize and continuity amid uncertain situation after assuming power. Subsequently the lack of popular support and mandate necessitated the construction of 'democratic' local administration to link up with the citizenry. Decentralization of administration provided the regime with a suitable tool to demonstrate its good intentions in creating participatory mechanisms and bring about development for the majority. The study concludes that the local government reforms were an effort on the part of Ershad to legitimize the military rule in the eyes of civil society and donors, and provide credibility to his leadership.

This search for legitimacy led to 'discretionary' policies in decentralization where key functions of local government were subject to strict central control. As such, even though *upzila* had sufficient power and authority on paper, it depended on centre for financial and functional support. In this situation, effective local governance on the basis of autonomy did not materialize in the country. The inauguration of *upzilas* without simultaneously holding elections for the chairmen, the weak financial base of the *upzilas*, the failure to introduce democratic governance at the district level were indicative of the regime's intentions. Moreover, the second man in the military junta chaired CARR and considerably influenced the deliberations of the committee thereby ensuring that the regime's intentions are reflected in the recommendations.

The formation of his own political party in 1986 provided Ershad with further legitimacy. However, the lack of popular support of regime was obvious and necessity of extending it to the grassroots level was realized by the military government. In this situation, decentralization policy served as a cornerstone of efforts to build a support base for the government and undercut the overwhelmingly urban political parties.<sup>15</sup> Undeniably, seeking rural support was a pragmatic approach by the regime; out of 460 *upzilas*, 63 were urban and the rest 397 were rural. The scheme was successful in 'acquiring' the rural powerbrokers controlling the rural social order; and a party-based local government system evolved. An indication of Ershad's success in securing some rural support was the fact that even after being overthrown in late 1990, his party did fairly well winning about ten percent of the seats in the 1991 parliamentary elections held under the caretaker government.<sup>16</sup>

Decentralization policies not only served to create a sub-national power base for regime, the strengthening of military rule occurred concomitantly with the weakening of the political opposition and demobilization of the civil society. It was hardly surprising that the reforms were strongly opposed by the political parties. Among other things, the *upzila* elections held in 1985 and 1990 were successful in isolating prominent opposition leaders at that level.<sup>17</sup> Majority of the newly elected independent and opposition *upzila* chairmen joined Ershad's *Jatiya Party* and contributed to the building and consolidation of the party.

The attempt to stabilize and strengthen the regime therefore was the single most driving force behind the *upzila* system. As mentioned earlier, this consolidation not only entailed centralization and bureaucratization but also led to sponsorship of central and local elitism.<sup>18</sup> A system based on patronage ensured the permanence of military-bureaucratic rule. The regime attempted to co-opt rural landed elites and its preoccupation with using the decentralization system to get political allies resulted in its permissive approach towards council chairmen and local bureaucrats. While the intention of Ershad was to solidify his rule in rural areas, it nevertheless created some opportunities for popular participation through the *upzila* level. Indeed, there is some indication that Ershad's policy had some positive impact on the facilitating participation of people.<sup>19</sup> However, given the regime's marginal commitment to democratic devolution, local institutions remained too weak and politicized to effect equitable development in rural areas.

The transition military to democratic governance has ushered a renewed interest in local government reforms in several developing countries. Bangladesh was no exception in this regard. It has been argued that with the greater transparency and accountability associated with the new democratic climate is likely to be more favourable to devolutionary practices. Given the long political history of authoritarian rule in Bangladesh, devolution of power is central to the development process in the country and ‘democratization at the level of nation state is a *sine qua non* in the period of (political) transition.’<sup>20</sup>

On the basis of the discussions in the previous chapters the study holds that the return to parliamentary democracy, contrary to expectations, did not result in concrete steps towards a decentralization process based on devolution and democratization. Firstly, there were no perceptible changes in decentralization structure the democratic regimes of both BNP and Awami League as compared to the previous military regime. As Chapter Four illustrates, the two successive regimes have instead shown the propensity to maintain the status quo in their effort not to disturb the existing power structure. It is clear that interest politics and patronage embedded the governance structure is not beyond the democratization process. Except for some electoral issues, decentralization agenda has been allowed to languish by both democratic regimes. The study attributes the lack of efforts in bringing changes in decentralization to the failure to institutionalize democracy at the centre. This is not least due to the confrontation between two leading political parties and the personal antagonism between their leaders. As Rehman Sobhan laments, ‘in such a malfunctioning system decentralized government degenerates into a cliché where local institutions remain powerless because national politicians and

bureaucrats remain unwilling to surrender power and patronage associated with the exercise of centralized control.’<sup>21</sup>

Similarly it has been argued by many that democratic politics is rarely conducive to bringing major policy changes because of the necessity for accommodation and compromise. In case of Bangladesh, the transition to democracy did not materialize into anything concrete in terms of political stability and economic growth nor did it change the governance situation qualitatively. The withdrawal of military and the constitutional provision for care-taker non-partisan government presiding over parliamentary elections is a major achievement on the political front. However, this is only one of many factors for democracy to be successful. Both BNP and Awami League which together, albeit reluctantly played a major role in the democracy movement in 1990, became more and more apathetic to democratic practices and norms towards the end of their respective terms. A combination of weak institutions, patrimonial and personalized politics lack of political consensus has resulted in a ‘partial democracy’ in the country.<sup>22</sup>

There was an apparent reluctance to follow through with local government reforms by the both BNP and Awami League. The *upzila* system, which was being consolidated in the second half of the 1980s, was discarded by BNP; the move was a political ploy rather than based on any politico-administrative or economic rationale. Again Awami League, in turn, abandoned the BNP reforms. BNP’s TDCC system lacked any real strength while Awami League’s reforms were equally ineffective. Although the latter’s policy did pave the way for inclusion of women in union *parishad*, a common trait in the reforms by both



regimes' was very limited opportunity for participation of majority of rural populace in local institutions. This is probably due to the fact that the ruling parties were fearful of political opposition dominating local bodies and becoming a formidable weapon. In other words, both the governments were apprehensive that opposition elements would gain important foothold from which to launch political offensives and challenge the incumbent party. As such, while there was a widening and deepening of the participatory concept particularly with both Zia and Ershad regimes, this aspect seems to be noticeably absent since 1991. The study thereby concludes that attempts at regime consolidation even in relatively stable political scenario led to politically defensive decentralization policies by both BNP and Awami League. In this context, 'national interest becomes secondary; political contrariety assumes greater significance.'<sup>23</sup>

For both authoritarian and 'democratic' regimes, state policies did not appear to a means of improving the performance of the economy or improving the living standard for the majority. Rather the regimes were concerned with stability and continuity of their rules particularly in view of uncertain political situation that the country experienced throughout its history. This, in turn had led to centralization tendencies in local government reforms.<sup>24</sup> Likewise, Zarina Khan asserts that although there were frequent regime changes at the national level, the state always managed to keep a strong control through civil bureaucracy at the local level.<sup>25</sup> The continuous shift in emphasis in different tiers of local government only masked a continued dependence of these units on the 'shifting whims of the central government.'<sup>26</sup>

On the basis of the discussions in Chapter Two and the case study of decentralization in Bangladesh, it can be inferred that a strong and authoritarian state is as likely to transfer power to local level as a democratic one. An autocratic government with a narrow power base tends to produce greater administrative and institutional reforms. Indeed, the most radical reform in decentralization as demonstrated in the study has been introduced under martial law.<sup>27</sup> However, these reforms were cosmetic as it is improbable that democratization was in the agenda for the military government. While elaborate structures were created, jurisdiction over planning and finance remained firmly in control of central government. It nevertheless provided the regime a political tool to consolidate the rule further by creating a link with rural areas. The regimes in power have exercised political domination through the local governments; this is not dissimilar to Mouzelis' conceptualization of mode of domination through the state machinery and party and political apparatuses.

The predicament facing rulers in most developing countries, not least in Bangladesh, is that in addition to controlling the outlying areas, they have to secure the active support of rural electorate at the same time. As a result, while regimes recognize the need merit of creating participatory structures, the actual amount of autonomy and power transferred is extremely limited. This has been evident in all decentralization efforts in the country. However, while there has been a tendency to supervise and control local government functions, there also has been a concomitant creation of spaces for local political processes. This reflects 'an implicit bifurcation whereby accountability issues are emphasized for lower tier and development administration issues for the upper tiers.'<sup>28</sup>

The role of state and the way the country was governed by the politicians had a profound impact on decentralization programmes and irrespective of regime types, parliamentary or authoritarian, the state has not changed its demeanours and hardly had any impact on governance. The state still has considerable bureaucratic power as repeated unsuccessful attempts by politicians to downsize the over bloated public sector indicates. Military expenditure during the decade of civilian rule, rather than decreasing, has in fact increased gradually. This points to the fact that state power is underpinned by a latent military threat.<sup>29</sup> In this context, Hamza Alavi's thesis that the bureaucratic military oligarchy of post-colonial state prefers to rule through politicians, as long as the latter do not impinge upon their own autonomy and power, has some relevance in Bangladesh context.<sup>30</sup> On the other hand, the history of Bangladesh development shows that the struggle and conflict in the interest of the poor is 'as much with parts of civil society as it is with the state.'<sup>31</sup> This is not only due to the fact that the weak civil society is counterpoised by entrenched bureaucratic state power in Bangladesh and but also because, rather than being distinct entity, civil society signifies an adapted manifestation of state power.<sup>32</sup>

The transition to democracy in 1990 was indeed a major step towards erecting a stable political process and Bangladesh entered a new era in 1991. However, elections cannot be confused with achievement of substantive democracy as evident in the last decade in Bangladesh. Political processes in Bangladesh remain hostage to highly inequitable state structures. As a result, relative autonomous political processes have failed to generate pressures needed to force the state to undertake meaningful economic and political

reforms. Suspension of political processes tilted the balance in favour of non-elected institutions of the state. Therefore, the moves to formal democracy halted military-bureaucratic authoritarianism, it 'have not fundamentally altered the historic institutional imbalances.'<sup>33</sup> Elected government began to behave in the same manner as its predecessors even after democracy was restored. A number of repressive laws that are in gross violation of human rights continue unabated.<sup>34</sup>

This thesis has adopted a political economy approach that, in addition to focusing on the inherent relationship between the economy and the polity, places great importance on the form the state takes in developing countries. In this context, both the 'new political economy' and more traditional Marxist class analysis have tended to ignore certain socio-political dynamics of the state, seeing it as only a rent-seeking entity that works as an impediment to development. On the basis of the discussions in Chapter Two and the case study of decentralization in Bangladesh, we have demonstrated that state power has to be fully integrated into the analysis as a source of political power where the economic interests are reinforced by the necessity of exerting control through the state machinery. Here, the form of government, military-authoritarian or democratic, is of marginal importance, as is evident in our study of decentralization in Bangladesh. The whole issue of democratization has to be seen in terms of the shift towards donor-led agendas of civil society and good governance which are in fact depoliticized methods for implementing specific economic policies aimed at more or less complete privatization of the developing economy. This is not to understate the desirability of democracy at the national level, but it is to emphasize the importance of contextual economic and political factors and the

tenuous relationship between democratization and economic development in peripheral countries.

In summary, then, the purpose of decentralization in the context of SAPs and the mainstream, neo-liberal institutional framework is contradictory. On one hand, the state is forced to privatize responsibilities and resources to non-state actors--NGOs and the private sector-- while at the same time trying to capacitate local governments economically and politically in order to foster local development initiatives. Our study has demonstrated that the scarcity of resources is directly related to both the lack of productive transformation in rural areas and the explicit agenda of the central government to foster and maintain a dependent political relationship with the peripheral countryside. Issues of financial and administrative autonomy are crucial to the success of decentralization and local governance, and have profound political implications for local government reforms as our study of Bangladesh indicates. Perspectives on decentralization therefore have to be situated in the broader economic and political terms, particularly the nature of state and its role in development.

In Bangladesh, the fact that successive military and civilian regimes over the years have found themselves compelled to erect structures of local participation is quite remarkable. A closer look at the decentralization programmes, however, reveals that genuine devolution of power is still elusive. The study reveals that in case of Bangladesh, the 'politics of development' or *realpolitik* and non-economic institutional spheres played the most crucial role in shaping decentralization policies. It also puts these factors ahead of structural and functional causes to explain the outcome of decentralization policies.

Indeed, political expediency was order of the day for the military and both the democratically elected regimes with regard to decentralization reforms. The success of decentralization process therefore is rooted in the tensions to establishing political and social powers. Samoff's observation is very useful; '...to make a sense of its forms and consequences in particular settings, we need to understand decentralization as a political initiative, as a fundamentally political process, and consequently as a site for political struggle.'<sup>35</sup>

One of the main causes of the birth of Bangladesh as a province of Pakistan was the excessive centralization of authority and the ensuing strained relationship with the 'centre.' As it turned out, the 'periphery' still remains isolated from political and administrative centre in post-independent Bangladesh. While there is no easy way for achieving the goals of effective local governance, some degree of political commitment, among other things, will go a long way towards solving some of the problems of decentralization in Bangladesh. Otherwise, strong and pro-poor local governments will remain the elusive 'golden deer' that the country is seeking.

## ENDNOTES:

<sup>1</sup> B.C. Smith, Decentralization: The Territorial Dimension of the State (London: George Allen and Unwin, 1985) 191.

<sup>2</sup> Stanley A. Kochanek, "Governance, Patronage Politics, and Democratic Transitions in Bangladesh," Asian Survey 40.3 (2000): 549.

<sup>3</sup> See Fahimul Quadir, "The Political Economy of Pro-Market Reforms in Bangladesh: Regime Consolidation through Economic Liberalization?" Contemporary South Asia 9.2 (2000): 197-212.

<sup>4</sup> Harry Blair, "Civil Society, Democratic Development and International Donors," Bangladesh: Promise and Performance, ed. Rounaq Jahan (London: Zed Press, 2001) 192.

<sup>5</sup> For example, Crook and Manor show in their study that the rate of participation in local elections and associational activity has increased in places where there is a stronger NGO presence; see Richard C. Crook, and James Manor, Democracy and Decentralization in South Asia and West Africa (Cambridge: Cambridge University Press, 1998).

<sup>6</sup> Shelley Feldman, "NGOs and Civil Society: (Un)stated Contradictions," Annals of the American Academy of Political and Social Science 554 (1997): 54.

<sup>7</sup> Zarina Rahman Khan, "Decentralized Governance: Trials and Triumphs," Bangladesh: Promise and Performance, ed. Rounaq Jahan (London: Zed Books, 2001) 114.

<sup>8</sup> Ayesha Jalal, Democracy and Authoritarianism in South Asia: A Comparative and Historical Perspective (Cambridge: Cambridge University Press, 1995) 117.

<sup>9</sup> Kirsten Westergaard, and Muhammad Mustafa Alam, "Local Government in Bangladesh: Past Experiences and Yet Another Try," World Development 23.4 (1995): 680.

<sup>10</sup> See H. Zillur Rahman, "The Challenges of Decentralization," Editorial, The Daily Star [Dhaka] 25 March 2002, Dhaka.

<sup>11</sup> Zarina Rahman Khan, "Decentralised Governance and its Impact on Rural Society in Bangladesh," Decentralized Governance in Asian Countries, eds. Abdul Aziz and David D. Arnold (New Delhi: Sage Publications, 1996) 79.

<sup>12</sup> See among others, Zarina Rahman Khan, "Decentralized Planning and Financing of Rural Development in Bangladesh," Regional Development Dialogue 20.2 (1999): 43-57.

<sup>13</sup> An appropriate example can be the activities of centrally located Local Government Engineering Department (LGED), which has achieved considerable success in improving rural infrastructure mainly roads, development of growth centres (markets), etc.

<sup>14</sup> Kirsten Westergaard, and Muhammad Mustafa Alam, "Local Government in Bangladesh," 682.

<sup>15</sup> Both the major parties, BNP and Awami League, draw large support in the urban areas. See Kirsten Westergaard, and Muhammad Mustafa Alam, "Local Government in Bangladesh," 683.

<sup>16</sup> Ershad himself won five seats, all in his home district Rangpur.

<sup>17</sup> Mohammad Mohabbat Khan, "Politics of Administrative Reform and Reorganization in Bangladesh," Public Administration and Development 7 (1987): 358.

<sup>18</sup> Zarina Rahman Khan, "Decentralized Governance: Trials and Triumphs," 109.

<sup>19</sup> See Crook and Manor 85-135.

<sup>20</sup> Kirsten Westergaard, and Muhammad Mustafa Alam, "Local Government in Bangladesh," 681.

<sup>21</sup> Rehman Sobhan, Bangladesh in the New Millennium: Building a Responsible Society (Manuscript for publication); cited in Kirsten Westergaard, Decentralization in Bangladesh: Local Government and NGOs (Copenhagen: Centre for Development Research, 2000).

<sup>22</sup> Stanley A. Kochanek, "Governance, Patronage Politics, and Democratic Transitions in Bangladesh," Asian Survey 40.3 (2000): 531.

<sup>23</sup> Habib Zafarullah, "Local Government Reform and Accountability in Bangladesh: The Continuing Search for Legitimacy and Performance," Regional Development Dialogue 18 (1997): 42.

<sup>24</sup> See Harry W. Blair, "Participation, Public Policy, Political Economy and Development in Rural Bangladesh," World Development 13.12 (1985): 1231-1247.

<sup>25</sup> See Zarina Rahman Khan, "Decentralized Governance: Trials and Triumphs," 107-126.

<sup>26</sup> Rounaq Jahan, ed., Bangladesh: Promise and Performance (London: Zed Books, 2001) 33.

<sup>27</sup> Kirsten Westergaard, Decentralization in Bangladesh: Local Government and NGOs (Copenhagen: Centre for Development Research, 2000).

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<sup>28</sup> H. Zillur Rahman, "Challenges of Decentralization,"

<sup>29</sup> See Peter R. Davis, and J. Allistar McGregor, "Civil Society, International Donors and Poverty in Bangladesh," Commonwealth and Comparative Politics 38.1 (2000): 56.

<sup>30</sup> Cited in Peter R. Davis, and J. Allistar McGregor, "Civil Society, International Donors and Poverty in Bangladesh," 56.

<sup>31</sup> Peter R. Davis, and J. Allistar McGregor, "Civil Society, International Donors and Poverty in Bangladesh," 61.

<sup>32</sup> Kirsten Westergaard, "Decentralization, NGOs and Democratization in Bangladesh," Democratization in the Third World: Concrete Cases in Comparative and Theoretical Perspective, eds. Lars Rudebeck, and Olle Tornquist (London: Macmillan Press, 1998) 175.

<sup>33</sup> Ayesha Jalal, Democracy and Authoritarianism in South Asia: A Comparative and Historical Perspective (Cambridge: Cambridge University Press, 1995) 249.

<sup>34</sup> These laws include Special Powers Act 1974, Special Security Forces Act 1986, Suppression of Terrorists Offenses Act 1992, etc.

<sup>35</sup> Joel Samoff, "Decentralization: The Politics of Interventionism." Development and Change 21.3 (1990): 519.



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